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Algeria	6.00	De	1.51	700.00	Denmark	7.80	Nkr
Angola	20	S	1.700	100	France	0.700	Fr
Argentina	600	Dr	1.700	100	Germany	0.700	DM
Australia	1.50	A\$	1.700	100	Ghana	0.700	Cedi
Belgium	45	Bfr	1.700	100	India	0.700	Rs
Canada	1.50	C\$	1.700	100	Indonesia	0.700	Rp
Cyprus	1.50	C\$	1.700	100	Italy	0.700	Lira
Dominican	1.50	D\$	1.700	100	Japan	0.700	Yen
Egypt	1.50	E\$	1.700	100	Kenya	0.700	Sh
Finland	1.50	F\$	1.700	100	Madagascar	0.700	Mal
France	1.50	F\$	1.700	100	Mali	0.700	Fr
Germany	1.50	G\$	1.700	100	Morocco	0.700	Dir
Greece	1.50	G\$	1.700	100	Netherlands	0.700	Gld
Hong Kong	1.50	H\$	1.700	100	Nigeria	0.700	Naira
India	1.50	I\$	1.700	100	South Africa	0.700	Rand
Indonesia	1.50	I\$	1.700	100	Sweden	0.700	Kr
Italy	1.50	I\$	1.700	100	Switzerland	0.700	Fr
Japan	1.50	J\$	1.700	100	Taiwan	0.700	Nt
Kenya	1.50	K\$	1.700	100	Thailand	0.700	Baht
Madagascar	1.50	M\$	1.700	100	Turkey	0.700	Lira
Mali	1.50	M\$	1.700	100	U.S.	0.700	Dollar
Morocco	1.50	M\$	1.700	100	U.K.	0.700	Pound
Netherlands	1.50	N\$	1.700	100	Yugoslavia	0.700	Dinar
Nigeria	1.50	N\$	1.700	100			

ESTABLISHED 1887

## General Electric Agrees to Buy RCA for \$6.28 Billion

**Compiled by Our Staff From Dispatches**  
NEW YORK — General Electric Co. has agreed to acquire RCA Corp., owner of the NBC television network, for \$6.28 billion. The announcement Wednesday is the second this year of a takeover of a network in the United States. The acquisition of American Broadcasting Co. for \$3.5 billion by Capital Cities Communications was announced in March. The ABC acquisition, which was the first to be approved by the Federal Communications Commission, caused Wall Street to sharply re-evaluate the value of the three major U.S. networks. Shortly after the acquisition was announced, Turner, the Atlanta broadcast entrepreneur, tried unsuccessfully to acquire CBS. Word of the GE-RCA agreement, which will take several months to complete, was apparently a surprise to the financial community. The agreement was announced after the price of RCA's stock had risen sharply in New York Stock Exchange trading since rumors at General Electric was negotiating the acquisition. The NYSE said Thursday that it began an analysis of trading in RCA and GE before the announcement. The exchange said it had received inquiries regarding trading activity in the stock of those companies, but did not elaborate. The NYSE said it could not indicate when the review would be completed. It reviews trading in all stocks before merger announcements. The price of RCA fell \$4.25 Thursday on the NYSE to \$59.25, down from \$63.50 on Wednesday. The acquisition serves several purposes for General Electric. It would combine a presence in a business that complements its consumer electronics, as well as the combining of both companies' military-related operations. General Electric has had strong financial results under its chairman, John F. Welch Jr., but the company has been more of a seller than a buyer. In 1984, GE sold its Utah International subsidiary for \$2.4 billion. The proceeds from the sale were always considered the next step that GE would use to make acquisitions. As the money remained dormant almost two years, there was frequent speculation as to which company might be attractive to GE. More than once, however, GE officials said it might make several all purchases instead of one big one. General Electric said it would pay \$66.50 a share in cash for RCA's 94.4 million shares. The total price of \$6.28 billion is the largest for a nonoil company acquisition in the United States. This year, Kohlberg, Kravis, Roberts & Co. agreed to buy Boe Co., a consumer-products company, for \$6.2 billion. In 1984, GE posted net income of \$2.2 billion on revenue of \$27.9 billion. RCA earned \$341 million revenue of \$10.1 billion. The transaction is subject to the approval of RCA's stockholders and various regulatory agencies. The announcement was made by Welch, Thornton F. Bradshaw, A's chairman, and Robert R. derick, RCA's president and chief executive. Mr. Welch said at a news conference Thursday that it was premature to say whether RCA or GE would be divested after the merger or to comment specifically on the operating structure of the new company. He said those decisions would be made as he and Mr. Frederick, a former General Electric executive, work out the details. Mr. Welch said he did not expect the combined defense businesses of General Electric and RCA to run counter to federal antitrust guidelines. Senator Howard M. Metzenbaum of Ohio, the ranking Democrat on the Senate antitrust subcommittee, expressed doubts about the merger. "On its face, the deal raises serious antitrust questions," he said. "If the merger is not stopped, I will insist on full hearings by the Senate Judiciary Committee." Mr. Welch said the financing terms of the RCA purchase had not been concluded and estimated that General Electric might assume \$4 billion to \$5 billion of bank debt to help pay for the company. Mr. Bradshaw said he would step down as RCA's chairman after the merger but would continue as a consultant to General Electric for three years. (NYT, Reuters, AP)



John F. Welch Jr.



Thornton F. Bradshaw

## Allies Ask U.S. for Dialogue

### NATO Praises Consultation on Geneva Meeting

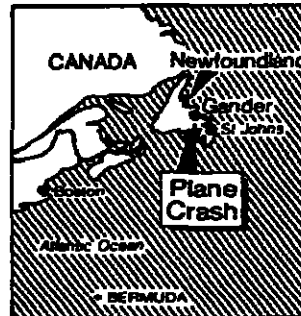
**By John Goshko**  
*Washington Post Service*  
BRUSSELS — North Atlantic Treaty Organization foreign ministers praised the United States on Thursday for consulting with its European allies on last month's Geneva summit meeting and urged Washington to continue the alliance dialogue as it pursues negotiations with the Soviet Union. Sources familiar with the discussions at the annual NATO year-end meeting in Brussels agreed that they were characterized by an unusual degree of harmony and praise for President Ronald Reagan's performance in his meeting with the Soviet leader, Mikhail S. Gorbachev. But the Europeans told Secretary of State George P. Shultz of their desire that the United States continue its voluntary compliance with the restraints spelled out in the unratified 1979 strategic arms limitation treaty. (Reuters reported that the ministers also said that Western public opinion expected concrete steps toward arms control at the next U.S.-Soviet summit talks, expected next year.)



Secretary of State George P. Shultz yawning at the annual year-end meeting of North Atlantic Treaty Organization foreign ministers began in Brussels on Thursday. With him is David M. Abshire, the American delegate to NATO.

## Crash Kills 258 On U.S. Troop Plane in Canada

**By Charles Campbell**  
*The Associated Press*  
GANDER, Newfoundland — A DC-8 charter plane carrying U.S. servicemen home from peacekeeping duty in the Middle East crashed in flames Thursday on takeoff here, killing all 258 persons aboard, officials and witnesses said. Major Kenneth Miller of Canadian Search and Rescue reported that 250 passengers and eight crewmembers had been killed in the crash at Gander International Airport. The charter flight, operated by Arrow Air of Miami, carried 250 members of the 101st Airborne who were being rotated home after six months service in the United Nations peacekeeping force in the Sinai Peninsula. Cause of the crash was not immediately known. "All we know is that there were no survivors," Major Miller told the Canadian Press. In Washington, the White House spokesman, Larry Speakes, said that preliminary reports indicated "there is no evidence of sabotage" or of an in-flight explosion. There had been reports that the plane exploded either in the air or after it hit the ground. The crash was the worst air disaster in Canadian history. It was the most deadly single charter airline crash ever and the worst such disaster involving the U.S. military. Even before Thursday's crash, more than 1,400 people had been killed this year in commercial aviation crashes, a record toll. Families and friends learned of the disaster as they assembled at the headquarters of the 101st Airborne Division at Fort Campbell, Kentucky, to welcome the returning soldiers. The soldiers were some of 750 to 800 troops in the force and were coming home on a rotational basis, according to Major Larry Icenogle, a Pentagon spokesman. The plane plunged to earth after takeoff, plowing through a wooded area about a quarter of a mile (400 meters) from the Gander airport and breaking into pieces, scattering bodies and military equipment, witnesses said. Canada's transport minister, Don Mazankowski, said the plane got no higher than 1,000 feet (305 meters) into the air before crashing. The airport was overcast with light snow and light winds at the time of the crash, according to the aviation weather report. There had been a light, freezing drizzle a few hours earlier. Ed Pike, a radio correspondent of CBC, the Canadian broadcast network, quoted witnesses as saying the plane exploded. "We were driving to work when we saw this big explosion, kind of like a big explosion right at the top of the trees," said Ann Hurley, a nearby resident, "and it died down very quickly. In a matter of seconds, it was gone." The seven men killed belonged to the multinational force charged with monitoring the 1979 peace treaty between Israel and Egypt. The 11-nation force, called the Multinational Force and Observers, has been based in the Sinai since Israel completed its withdrawal from the peninsula and returned it to Egypt in April 1982. David Bridges, spokesman for the Multinational Force and Observers, based in Rome, said the plane had flown from Cairo to Gander where it was to be refueled for a second refueling. Gander International Airport is (Continued on Page 5, Col. 1)



Plane Crash

## IMF Loan Is Rejected By Nigeria

**Agence France Presse**  
LAGOS — Major General Ibrahim Babangida announced Thursday that Nigeria would not accept a loan of about \$2.4 billion from the International Monetary Fund. The announcement ended a debate that has been going on here since the general deposed Major General Mohammed Buhari in a coup Aug. 27. In a television address, the Nigerian leader said that "the path of honor and the essence of democratic patriotism lies in discontinuing the negotiations with the IMF for a support loan." "This is clearly the will of the majority of our people on this issue," he said. "We will continue to honor our legitimate and clearly established financial obligations within the limits of our financial resources." As a condition of lending the money the IMF insisted that Nigeria devalue its currency by 60 percent and end the practice of subsidizing petroleum products. In addition to making Nigeria eligible for the low-interest loan, the agreement would have opened the way for a rescheduling of Nigeria's foreign debt of more than \$20 billion, most of which is due within five years. Economists have said that Nigeria was expected to use up 43 percent of its \$11-billion national budget for paying interest on its foreign debt. They have said that a further drop in oil prices would greatly affect the country's ability to earn the foreign exchange it needs to pay for Western machinery, spare parts, medical supplies and food. Oil accounts for more than 90 percent of export earnings. General Babangida announced soon after taking power that he intended to break the deadlock on negotiations with the IMF, which started in 1983. He began a national debate on the merits of the loan and said he would be guided in his decision by "the aspirations and yearnings of the people." Opponents of the loan dominated the debate from the start. They expressed the fears that the loan money would be misused and that the IMF conditions would cause undue hardships on Nigerians. Proponents, including the business community and Nigeria's trading partners, argued that a rejection of the loan would cause greater hardships. They said that Nigeria's imports next year were likely to be barely what they were this year, about \$7 billion.

## Reagan Signs Bill to End Budget Deficits by 1991

**Compiled by Our Staff From Dispatches**  
WASHINGTON — President Ronald Reagan signed landmark legislation Thursday that mandates a U.S. government budget deficit by the 1991 fiscal year while setting the national debt limit at more than \$2 trillion. Mr. Reagan declared that "the tough work of controlling federal spending still lies ahead." The president said he had signed the bill despite "serious constitutional questions" raised by the role of the balanced-budget law does and how it works. Page 3.

it gives to the director of the congressional budget office and the comptroller general in calculating the budget estimates that trigger the spending-cut provisions of the bill. The questions arise because they are agents of the legislative branch of government, rather than the executive branch, which submits budgets to Congress. The bill was approved Wednesday night by the Senate, after 61 hours of debate, on a bipartisan 91-9 vote. The House then debated the legislation for 90 minutes before approving it on a bipartisan 271-154 vote and sending it to the White House. In both the House and the Senate, a majority of Republicans supported the legislation, while half the Democrats voting in the Senate and a majority in the House opposed it. "It is an act of legislative desperation," said Representative Jim Wright of Texas, the Democratic majority leader, who voted for the plan. In a statement accompanying the signing Thursday, Mr. Reagan said, "The American people expect their elected officials to take action now to reduce the size of government and to set up a reasonable and equitable course to eliminate federal budget deficits." Early next year, he said, "I anticipate that we will have to take some significant across-the-board reductions in a wide range of programs." At the same time, the president said, "We must also never lose sight

## Vote in EC Parliament Provokes Budget Crisis

**Reuters**  
STRASBOURG, France — The European Parliament voted overwhelmingly Thursday for a 1986 European Community budget containing significantly higher funding than proposed by ministers of the member states. The move presented the EC with a crisis over its budget for the third consecutive year. The Parliament, which shares budget powers with the Council of Ministers, passed the amended budget 230-39, with 20 abstentions. Some of the 10 member states had said such a move by the assembly would be illegal and threatened to take the members of Parliament to the European Court. The vote restored 569 million European currency units (\$482 million) to the budget of 32.7 billion ECUs. The ministers had made a final offer to increase spending by 242 million ECUs and the elected body had the right to increase that amount by only about 90 million ECUs. Finance Minister Jean-Claude Juncker of Luxembourg, which holds the presidency of the EC's Council of Ministers, had made a last-minute appeal to the Parliament not to pass a budget that would be technically illegal. He warned that member states would carry out threats to bring court action. "I do not want a conflict on the basis of 200 or 300 million ECUs," he said. The parliamentarians argued that the budget proposed by the ministers would leave insufficient funds to cover the entry of Spain and Portugal to the community on Jan. 1 and to meet past commitments for social and regional spending. Before the vote, both sides engaged in frantic politicking. British conservative and French liberal members argued that the ministers' final offer should be accepted along with their guarantees that commitments would be honored. "It is ridiculous," said David Curry, a British conservative. "It is almost as if they want a dispute." Last month, Britain had objected to restoring any cuts to the budget.

## Reagan's Tax Setback: A Misreading of Minds

**By Bernard Weinraub**  
*New York Times Service*  
WASHINGTON — One of the most abrupt congressional setbacks of Ronald Reagan's presidency left startled White House officials trying to figure out where they went wrong and making plans to salvage some form of tax revision, the major legislative priority of Mr. Reagan's second term. The House vote Wednesday night blocking consideration of the tax legislation marked an uncharacteristic lapse for White House legislative strategists. They had not gauged the depth of Republican opposition and did not make full use of Mr. Reagan's persuasive powers. Moreover, the blocking of consideration of the tax legislation, which may turn out to be temporary, came as Congress moved to endorse a budget-balancing proposal that administration officials concede, threatens key portions of Mr. Reagan's legislative agenda, including military programs. This put Mr. Reagan in the paradoxical position of losing a key vote on legislation that he regards as central to his policy while a budget-balancing bill about which he has serious doubts moved ahead. With only 14 Republicans voting in favor of a procedural rule that would have opened the way for a vote on the tax bill endorsed by Mr. Reagan, White House officials struggled Thursday to work out an alternative that would restore the momentum for tax revision and save Mr. Reagan from an embarrassing defeat. Democratic leaders, working with the White House, also tried to revive the measure for a vote before Congress adjourns, probably Friday or Saturday. But the Democrats said Wednesday's vote indicated that tax legislation could not pass unless Mr. Reagan could round up more Republican votes for it.

## U.S. Farmers in Debt: A Sense of Powerlessness

**By Andrew H. Malcolm**  
*New York Times Service*  
CEDAR RAPIDS, Iowa — Financially troubled farmer who walked into his small town bank here Monday and not the bank president dead and no problem driving off with the money. The Hills Bank and Trust Co., with more than \$200 million in assets, had no security guard. In an age when body searches are becoming routine for airline passengers, it may seem strange that a financial institution like the Hills bank could remain largely unprotected. But stands unguarded no longer. One of the first official steps after the shooting was to dispatch police officers and guards banks in the surrounding rural areas, to guard not against robbers but against disgruntled borrowers. It represented the shattering of one more link in a long chain of social trust running back for generations. In 1983, when Rudolph H. H. Jr., a bank president in Minn., was am-



Karen Hughes, right, widow of an Iowa bank president killed by a distraught farmer who then killed himself, embraces her daughters at the banker's funeral service.

## For Soviet, West's New Threat Is AIDS

**By Gary Lee**  
*Washington Post Service*  
MOSCOW — A rare public lecture here two weeks ago on AIDS packed a large auditorium so tightly that the crowd of nearly 1,000 professionals, students, military men, housewives and others spilled into the aisles and kept yelling for the Soviet doctor on the podium to speak up. After the 90-minute talk, including an extensive question-and-answer period, the audience's curiosity hardly seemed satisfied. "This disease has been known for a long time but not here, unfortunately," said a middle-aged man, who had pushed through the crowd and grabbed the microphone. "We have only known about it for the last hour." That is why, he continued, "all of us are scared." Amid signs abroad of a mounting epidemic of audience immunity deficiency syndrome, fears about the disease in the Soviet Union are growing. Although a Soviet doctor last week acknowledged that several cases of AIDS have appeared in the Soviet Union, officials still characterize it as a foreign problem, apparently to underline the stigma they attach to foreigners, especially Westerners. The lecturer and other official Soviet sources and press reports have gone to great effort to keep a lid on the number of cases in the Soviet bloc. The lecturer said that in Moscow there had been cases of Kaposi's sarcoma, a skin cancer that can be especially deadly in AIDS patients, but he knew of no registered AIDS cases. Although Hungary and Poland have reported cases, they have never been mentioned in the general Soviet press. Two weeks ago, Boris V. Petrovsky, a former public health minister, said that the Soviet Union had "no registered cases." But in an interview last week in the official newspaper Sovetskaya Kultura, Viktor M. Zhdanov, director of the Ivanovsky Institute of Virology, said that there were some cases: "fewer than on the fingers of a hand." A Western businessman who imports medical equipment that is used to test for AIDS estimates that the number of cases in the Soviet Union could "number in the hundreds." Even by Western estimates, the Soviet numbers are minuscule when compared with the 20,000 cases worldwide. But Western analysts say Soviet officials resort to whispers and denials in part because they are reluctant to acknowledge the presence of homosexuals and drug users in the country. In his presentation at Moscow's Vialovskiy Institute of Surgery, the lecturer, identified only as "Arkady," fanned the impression that AIDS is a peculiarly Western problem by detailing its spread through the United States, West Germany, France and other West European countries. Recent Soviet articles have attributed the source of the AIDS (Continued on Page 5, Col. 2)

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■ U.S. retail sales rose 1.1 percent in November. Page 13.

TOMORROW

The Doni Tondo by Michelangelo has been restored, revealing its artist to be the first Manierist.



# Marcos Rivals: 'An Ordinary Housewife' and a Political Pro

## Aquino Is Seen as a Symbol Of Accumulated Grievances

By Seth Mydans  
New York Times Service

MANILA — Corazon C. Aquino, who will face President Ferdinand E. Marcos in elections set for February, says her advisers keep telling her to stop referring to herself as "just an ordinary housewife."

"And anyway," she said the other day, "I am not a housewife any more because I cannot take care of my house anymore, so many things have come up."

What has now come up, after days of last-ditch negotiation, is her emergence as the leader of the Philippine opposition in its attempt to end the 20-year rule of Mr. Marcos, whom it blames for the country's economic decline and growing instability.

Corazon Aquino, the 52-year-old widow of Benigno S. Aquino Jr., the most popular opposition figure and a lifelong challenger to Mr. Marcos, has come to symbolize the accumulated grievances within the nation against the president.

"I know very well that I am not the victim who has suffered the most," she said in announcing her candidacy Dec. 3, "but it just so happens that perhaps I am the best-known victim of Mr. Marcos's long list of victims."

That announcement was made one day after a court acquitted 26

defendants, all but one of them soldiers, in the assassination of her husband as he returned to Manila in 1983 after three years in the United States.

Mrs. Aquino has said repeatedly that she holds Mr. Marcos responsible for the assassination, and she says she is prepared to make the accusation to his face.

Mrs. Aquino appears to be a genuinely reluctant politician who despite herself has inherited her husband's mantle as unifier of the fractious Philippine opposition. She says she has accepted her new role only after long sessions of prayer and sleepless nights.

She says that she feels uncomfortable around politicians and that she is still learning to speak their language of "hard realities."

But by both her own account and those of her associates, she is of necessity learning the role of leader, learning to be less polite and to contradict the seasoned politicians who were her husband's associates when she was "just a housewife."

By these accounts, it was Mrs. Aquino herself who decided Wednesday to compromise and accept Mr. Laurel's party as her sole standard. She told the party founded by her husband that it must accept her decision to set it aside.

"This time, let me assert myself," she was quoted as having told her inner circle.

Corazon Cojuangco Aquino was born Jan. 25, 1933, in Iloilo Province, 30 miles (30 kilometers) north of Manila. She was the sixth of eight children in one of the country's wealthiest landowning families.

She received a privileged education in an exclusive Manila girls' elementary school. She continued her education in the United States, first at the Raven Hill Academy in Philadelphia and then at Notre Dame in New York.

Mrs. Aquino was graduated in 1953 with a degree in French and mathematics from Mount St. Vincent College in New York. She returned to the Philippines. She began studying law, but cut her academic career short to marry Benigno Aquino, an energetic young politician.

Her husband rose rapidly in politics to become the country's youngest senator and a likely successor to Mr. Marcos, whose second and constitutionally final term was to expire in 1973.

Meanwhile, Corazon Aquino was bearing him the first of five children, keeping house and serving coffee during the political gatherings at their home at which her husband spent long hours in discussions.

Her political education accelerated after 1972 when Mr. Marcos declared martial law and imprisoned her husband for eight years. During this time, she was Benigno Aquino's link to his supporters outside, and carried memorized messages to and from him, some of which were published in the foreign press.

Benigno Aquino was allowed to go to the United States in 1980 for heart surgery, and the family spent three years with him there until he returned in August 1983 to his death at Manila International Airport.

Since then, Corazon Aquino has grown steadily to become the focus around which the opposition now appears to have been able to unite against Mr. Marcos.



Mrs. Aquino and Mr. Laurel kicking off their campaign.

## Opposition Starts Campaign Amid Brass Bands, Confetti

Reuters

MANILA — Corazon C. Aquino and Salvador H. Laurel kicked off their joint election campaign Thursday to unseat President Ferdinand E. Marcos.

Campaigning together in Mr. Laurel's stronghold of Batangas province, south of Manila, the two were greeted with brass bands and serenades, and showered with confetti and streamers.

"If this is a promise of things to come, we will make it," Mrs. Aquino said.

Mr. Marcos, meanwhile, accused his opponents of making "false promises, empty talk, lies and deceptions." He said at a meeting with grain traders that the pres-

idency meant "sacrifices and burdens."

"It requires not ambition but vision, prudence not Quixotic passion," he said. "Of course, there are men and women who believe otherwise and who think they can hobble their way to the presidency by pandering to public emotion, without even a semblance of a program of government."

Mrs. Aquino and Mr. Laurel agreed Wednesday to run on a single ticket, with Mr. Laurel as the vice presidential candidate. Mr. Marcos has named Arturo M. Tolentino, a former foreign minister, as his vice presidential running mate. The election is scheduled for Feb. 7.

## Laurel Has Personal Ties To President and His Palace

By Seth Mydans  
New York Times Service

MANILA — In a way, Salvador H. Laurel has been preparing all his life to run for president of the Philippines, a fact that made his concession to Corazon C. Aquino to be the candidate for vice president under her all the more difficult.

A politician from a family of politicians, Mr. Laurel spent part of his childhood in Malacanan Palace, the presidential residence, while his father, José Laurel Sr., was the leader of the Philippines during the Japanese occupation.

His brother, José Laurel Jr., was speaker of the House of Representatives for many years before the imposition of martial law in 1972. In a nation ruled by a relatively small number of powerful families, Mr. Laurel has personal ties with both President Ferdinand E. Marcos and Mrs. Aquino.

When Mr. Marcos, as a young law student, was accused of the murder of a man who had defeated his father in a local election, it was Mr. Laurel's grandfather, a Supreme Court justice, who wrote an opinion exonerating him.

Decades later, when Mr. Laurel was out of the country during the birth of his first two children a year apart, it was Benigno S. Aquino Jr., Corazon Aquino's late husband and Mr. Laurel's best friend, who waited in his place outside the delivery room.

Mr. Laurel, who was a senator before the declaration of martial law, first made a name for himself as an advocate of justice for the poor. He founded the legal aid society of the Philippines, and in 1976 he was awarded the title of most outstanding legal aid lawyer of the world by the International Bar Association.

Unlike Mr. Aquino and a number of other prominent politicians, Mr. Laurel was not arrested during martial law, but rather continued to support Mr. Marcos. He won a seat on the interim National Assembly in 1978 as a candidate in the president's party.

His property was not seized by Mr. Marcos during martial law, although the land of many other wealthy families was confiscated. It was not until 1982 that Mr.

Laurel became an active member of the opposition, calling news conferences to publicize what he said were abuses by the government.

Mr. Laurel headed the welcoming committee at Manila International Airport in August 1983 for Mr. Aquino when he returned and was assassinated.

Mr. Laurel attempted to read Mr. Aquino's prepared arrival statement into the record of the National Assembly. He was prevented from doing so, and when he took the floor to announce his resignation in protest, the lights in the hall were turned off.

Despite his recent leadership of the opposition, Mr. Laurel, 57, has not managed to rid himself of the stigma among his colleagues of having supported the president throughout martial law and having avoided the suffering of Mr. Aquino and other politicians.

When he made new demands Sunday on Mr. Aquino that determined their unity, members of her party hinted darkly at a Marcos connection that supposedly might dilute Mr. Laurel's commitment to the opposition cause.

Salvador Hidalgo Laurel, whose nickname is Doy, was born in Manila on Nov. 18, 1928, and studied at the University of the Philippines, where he was captain of the debating team. He went on, like his father, to earn a doctorate in law from Yale University.

He is married to Cecilia Diaz Laurel, an artist and stage designer, and they have eight children, three of whom are popular singers here. Others have successful careers in business and on the stage.

Popular with women, he plays the violin, enjoys a round of golf in the early mornings, and is said to be able to perform a fair imitation of Frank Sinatra.

The stumbling block raised last Sunday to unity with Mrs. Aquino was a matter of importance to Mr. Laurel, the professional politician. He insisted that the political grouping he has built up in the last two years, the United Nationalist Democratic Organization, be accredited as its sole party.

Known as UNIDO, it is a grouping of opposition parties molded by Mr. Laurel into a solid party with electoral organization in much of the country. It claims to be the only opposition grouping technically prepared to fight an election, and Mr. Laurel has invested his political future in it.

Its program of reform treads a center line that may not be acceptable to many of Mrs. Aquino's more radical backers.

## Officials in Israel Impose Blackout On Spy Inquiry

Reuters

JERUSALEM — Israeli and U.S. officials imposed a news blackout Thursday on the visit of a U.S. team investigating the case of Jonathan Jay Pollard, a former civilian intelligence analyst for the U.S. Navy who is accused of selling military secrets to Israel.

The blackout was accompanied by increased vigilance by Israel's military censors. On Wednesday, the censors deleted all but 60 words from a Reuters dispatch of 700 words on the spy case.

"From this moment on, there will be no information available on the subject," said a U.S. Embassy spokesman when asked about the whereabouts of the five investigators who arrived Wednesday. The investigators will interview at least three Israelis thought to be connected with Mr. Pollard, according to sources.

A car carrying an American camera crew from the CBS network was forced off the Jerusalem-Tel Aviv highway by U.S. security officers when it followed the investigators from their hotel. CBS personnel said the car was rammed by a U.S. Embassy vehicle. The embassy described the incident as a mistake.

## Anglican Envoy Delays Trip to Beirut

Reuters

LONDON — The Church of England envoy, Terry Waite, will travel to Beirut within two weeks in a new attempt to obtain the release of four Americans kidnapped in Lebanon, his office said Thursday. Mr. Waite's office had said Wednesday that he would return this week. But a spokeswoman said Thursday: "Mr. Waite is engaged in a series of talks relating to his mission in Beirut."

She said Mr. Waite, who visited Lebanon and the United States last month, would fly to Beirut sometime before Christmas. His efforts were set back last week when aides said he would be refused an entry visa to Kuwait, which he had planned to visit.

The kidnappers have linked the freedom of the four with that of 17 Arabs held in Kuwait for bombing attacks. The four Americans are Terry A. Anderson, a correspondent of The Associated Press; The Reverend Lawrence Martin Jenco, a Catholic priest; David P. Jacobson, director of the American University Hospital in Beirut, and Thomas M. Sutherland, the university's acting dean of agriculture.

Mr. Waite, an envoy of the archbishop of Canterbury, Robert Runcie, has said he remains cautiously optimistic about his mission.

■ **Strike Disrupts Beirut**  
A general strike over living costs shut Moslem areas of Beirut on Thursday, while a newly formed security force continued its efforts a second day to maintain peace in the city. The Associated Press reported.

## WORLD BRIEFS

### Bonner Call to Sakharov Is Jammed

NEWTON, Massachusetts (AP) — Andrei D. Sakharov, the exiled Soviet dissident, told his wife, Yelena G. Bonner, on Thursday that he was "more or less in a good state of health." But her telephone call was jammed when she tried to tell him that she had seen films of him taken with hidden cameras, according to Mrs. Bonner's daughter, Tatiana Yankelevich.

Mrs. Yankelevich said her mother called Mr. Sakharov, 64, a physicist and human rights activist, and spoke for about 10 minutes. The call was arranged so that Mr. Sakharov, who has no telephone, could be summoned by telegram to show up at a public phone. Films of the Sakharovs in public have been released to Western news organizations in recent weeks.

It was the first time Mrs. Bonner had spoken with Mr. Sakharov since leaving Gorky on Dec. 2 to seek treatment of heart and eye ailments in the West.

### Document Set on Liberation Theology

VATICAN CITY (Reuters) — Cardinal Joseph Ratzinger, head of the Vatican department that watches over doctrinal orthodoxy, said Thursday he was preparing a new document on liberation theology.

The West German cardinal, prefect of the Congregation for the Doctrine of the Faith, said the document had still to be approved but might be published early next year. The Vatican imposed a one-year publication ban early this year on the Reverend Leonardo Boff, a Brazilian theologian who is considered a leading advocate of greater church identification with the poor.

Church sources said the new document on liberation theology was expected to highlight positive aspects, following trenchant criticism contained in the congregation's ruling of August 1984.

### Anti-Apartheid Panel Meets in U.K.

LONDON (AP) — A Commonwealth committee of leading political and religious leaders met for the first time on Thursday to discuss how to persuade the South African government to dismantle its apartheid system.

Malcolm Fraser, former prime minister of Australia and co-chairman of the seven-member group, called Thursday's discussion "very useful" but refused to disclose details, saying that public discussion would hamper the group's work.

"It will require a great deal of patience, hopefully a good deal of tact on our part," Mr. Fraser said in a British Broadcasting Corp. radio interview. "And we're going to try and achieve the confidence of different groups, different people in South Africa." The Commonwealth consists of Britain and its former colonies.

### Hoyte Claims Victory in Guyana Vote

GEORGETOWN, Guyana (NVT) — President Desmond Hoyte has claimed an "overwhelming" victory in the elections here and has said he was "categorically denying" widespread charges of fraud and voter interference.

In a news conference Wednesday afternoon, Mr. Hoyte, 56, said he was satisfied that the elections held on Monday were "above board and regular." He dismissed accusations issued Wednesday by seven church, labor and human rights organizations as well as the Guyana Bar Association that the elections had been a "sordid catalogue of widespread disenfranchisement."

The organizations, which have generally been critical of the authoritarian government, said the misdeeds in the election included multiple voting, ejection of polling agents, threats, intimidation, violence and collusion by police and army personnel.

### Mitterand Proposes Help for Africa

PARIS (Reuters) — President François Mitterand addressed the 12th French-African summit meeting Thursday and set out three basic conditions for economic recovery in Africa: lower interest rates, greater stability in foreign exchange rates, and new public and private financial aid.

"In the face of our multiple problems we must all act together in solidarity — Africans toward Africans, France toward Africa, and Africa toward Europe," he said at the meeting at which 38 nations were represented. In addition, Mr. Mitterand called for greater self-sufficiency in food production and regional cooperation in line with the Organization of African Unity's blueprint for economic recovery.

### Great Lakes Study Finds Toxin Threat

TORONTO (UPI) — Toxic chemicals, including suspected carcinogens, are getting into the food chain in the Great Lakes area, posing a threat to 30 million people, according to an American-Canadian study.

The lack of effective control measures seems likely to affect many generations to come, said the report, which is a review of the 1978 Great Lakes water quality agreement between the United States and Canada.

The 40 million people affected by the more than 1,000 cancer-causing chemicals and other toxins found in the Great Lakes are the largest risk group ever identified in North America, said the report.

### For the Record

Spanish air traffic controllers began a 48-hour strike Thursday, causing the national airlines, Iberia and Aviaco, to cancel 70 flights. (AP)

President Habib Bourquiba of Tunisia, 82, has been ordered by his doctors to rest for three days because of "a slight cold," according to an official medical bulletin published Thursday. (AP)

The U.S. Senate confirmed Otis R. Bowen on Thursday as the third secretary of the Health and Human Services Department since President Ronald Reagan took office in 1981. Mr. Bowen, the former governor of Indiana, was confirmed in a 93-2 vote. (AP)

Sylvia Seegrist, 25, who was accused of killing three persons and wounding seven in a shooting spree Oct. 30 at a suburban Philadelphia shopping mall, was declared Thursday by a local judge incompetent to stand trial because of mental illness. (UPI)

About 1,000 Argentine rights activists and leftists began a 24-hour protest Wednesday outside the presidential palace in Buenos Aires, protesting a court's decision to acquit four former military rulers on rights charges and to convict five others on only some counts. (AP)

## House Hearings Begin on Marcos's Holdings in U.S.

New York Times Service

WASHINGTON — A House subcommittee has begun hearings into allegations that President Ferdinand E. Marcos of the Philippines and his wife, Imelda, have accumulated extensive real estate and other holdings in the United States. The hearings Wednesday were closed.

The House foreign affairs subcommittee on Asian and Pacific affairs, headed by Representative Stephen J. Solarz, Democrat of New York, had limited success in obtaining the information it sought, according to congressional sources.

Lawyers for three of the witnesses said their clients would not be able to provide all the information sought because of attorney-client privileges and insufficient time.

The issue of the Marcoses' wealth has been a focus of opposition charges in Manila as well as published reports in the United States, but none of the holdings cited in those reports or charges are listed in the Marcoses' names.

The Marcos family has denied owning real estate in the United States. While it is not illegal for foreigners like the Marcos family to own American real estate or other property, opposition leaders in the Philippines have charged that such properties were acquired with money from government coffers in Manila.

## 60 Hurt in U.S. Trolley Crash

United Press International

PHILADELPHIA — Nearly 60 people were injured, nine seriously, when a trolley derailed Wednesday during the evening rush hour and was hit by another trolley, city transit officials said Thursday.

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Those rumours which infer that water does not mix with this most distinctive of Imported London Dry Gins are well and truly ill-founded."

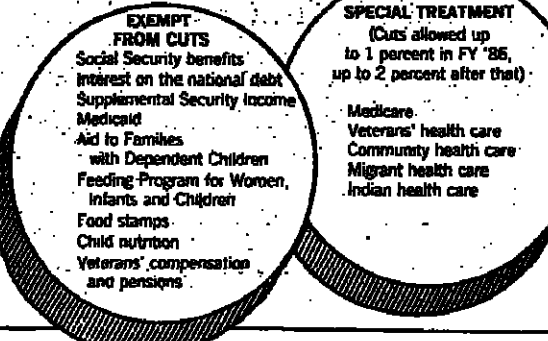
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## GRAMM-RUDMAN-HOLLINGS: WHO'S SAFE FROM THE BUDGET AX



The Washington Post

## U.S. Balanced-Budget Law: What It Does, How It Works

The Associated Press

WASHINGTON — Here are some of the major points of the law signed by President Ronald Reagan aimed at forcing a balanced budget for the U.S. government by the 1991 fiscal year:

### DEFICITS

The plan establishes statutory ceilings on federal deficits. For the 1986 fiscal year, which began Oct. 1, the maximum allowable deficit is \$171.9 billion, followed by \$144 billion for fiscal 1987, \$108 billion for fiscal 1988, \$72 billion for fiscal 1989, \$36 billion for fiscal 1990 and then no deficit for 1991.

After fiscal 1986, the deficit ceiling can still be exceeded by \$10 billion without automatic spending cuts being triggered. The White House Office of Management and Budget said the total deficit for the 1985 fiscal year, which ended Sept. 30, was \$211.9 billion.

### MEETING THE GOALS

Early in the calendar year, the president is required to submit a budget for the coming fiscal year that does not exceed the deficit targets.

Congress then is to proceed with drafting a budget blueprint, including instructions to congressional committees to make changes in programs within their jurisdictions to meet the deficit targets. The plan tightens congressional rules for the consideration of legislation that exceeds the budget limits.

### ENFORCEMENT

In August of each year, the White House Office of Management and Budget and the Congressional Budget Office are required to make a report on the fiscal year about to begin, stating the projected budget deficit and the gap, if any, between the maximum statutory deficit.

These reports will be sent to the General Accounting Office, the auditing arm of Congress, for review. If projected deficits exceed the targets, the accounting office is required to draw up a list of cuts in accordance with guidelines in the plan and send them to the president.

The president then would issue an order making the cuts to become final Oct. 15.

For the current fiscal year, the process is to begin in January 1986, with an order for cuts taking effect March 1. That cut cannot exceed \$11.7 billion.

### AUTOMATIC CUTS

About half of the approximately \$1 trillion federal budget is subject to automatic cuts that might be needed to meet the deficit ceilings. The law requires the cuts to reduce military and nonmilitary spending by equal amounts.

Exempt from automatic cuts are Social Security retirement and disability payments; Medicaid, a federal-state program providing health care for the poor; Food Stamps, which subsidize food purchases for the poor; veterans' compensation and pensions and various welfare and child-nutrition programs.

Cuts for some other social programs are limited to 1 percent in the current fiscal year and 2 percent thereafter. Provisions of the plan can only be waived during recessions or wartime.

## U.S. Women Destined for Low-Pay Jobs, Panel Finds

By Kenneth B. Noble  
New York Times Service

WASHINGTON — Despite recent progress, most American women who are employed will continue to work in largely low-paying occupations dominated by women for the foreseeable future, a committee of the National Academy of Sciences has concluded.

While saying that affirmative action programs have been effective in increasing the number of women in predominantly male professions, the panel expressed concern that what it called reversals of federal civil rights policy under the Reagan administration are likely to negatively affect women's future employment opportunities.

The 173-page report, which was paid for by Carnegie Corp. and the Departments of Education and Labor, estimates that about half of all men and women work in jobs that are dominated by one sex, that is, jobs in which 80 percent of the workers are either men or women.

The report, "Women's Work, Men's Work: Sex Segregation on the Job," was based on a two-year study by the National Research Council, an arm of the National Academy of Sciences. The panel was headed by Alice S. Ichniowski, the president of Sarah Lawrence College, Bronxville, New York.

While the degree of sex segregation declined significantly in the 1970s, the panel concluded only slight further declines are anticipated, primarily because occupations that are predominantly male or female are expected to grow more than those that are relatively integrated.

Many of the 20 occupations expected to grow the most by

1990 are those that traditionally employ women. Among them are professional and practical nurses, nurse's aides, secretaries, bookkeepers, typists and waitresses. In 1980, for example, according to the National Research Council, 98.8 percent of secretaries and 95.9 percent of registered nurses were women.

Among other occupations where growth is expected to be greatest up to 1990 are truck drivers, automotive mechanics and helpers in the trades, all categories that now employ few women. In 1980, 1.3 percent of auto mechanics and 2.3 percent of truck drivers were women.

Nonetheless, the report said that in the past decade sex segregation in the work place has narrowed in some areas. It said that men became slightly more likely to work in a few heavily female occupations, such as office machine operators or telephone operators.

For example, according to census figures, the percentage of male telephone operators rose to 9 percent of the total in 1980 from 6 percent in 1970. Similarly, the percentage of male maids and housemen climbed to 24.2 percent of the total in 1980 from 5.7 percent in 1970.

At the same time, according to the census, women's representation also increased in several predominantly male occupations, including law, banking, computer programming, bus driving and bartending. The percentage of bartenders who are women rose to 44.3 percent of the total in 1980 from 2.2 percent in 1970.

The panel found that despite large gains in employment in the 1970s, women still made only about 60 cents to every dollar earned by men.

"While some of this difference is due to differences in skill and experience," the report said, "about 35 to 40 percent of the disparity in average earnings is due to sex segregation among occupations. Sex segregation within occupations accounts for much of the remaining disparity."

A number of factors have limited women's progress and will continue to do so, the panel said, including social stereotyping, veterans' preference policies and departmental rather than plant-wide seniority systems.

The evidence, the report continued, suggests women face discrimination and barriers in their education, training and employment.

Among other findings are these:

• Among the 503 occupations listed in the 1980 U.S. census, 275 were greater than 80 percent male or female. Since World War II many occupations have had dramatic shifts in their sex composition, but the dominance of one sex has remained.

• Among the 10 largest occupations for women in 1980, secretaries, registered nurses and bookkeepers were the most segregated by sex. The most male-dominated occupations among the 10 largest occupations for men were automobile mechanics, truck drivers and carpenters.

• In 1981, the median salary for women who worked full time throughout the year was \$12,001, about 59 percent of the median male salary of \$20,260. White women over 18 earned about 60 percent of the salary of white men, black women earned 76 percent of the salary of black men, and Hispanic women earned 73 percent of the salary of Hispanic men.

## U.S. Lawmakers Make Progress On Farm Policy

Compiled by Our Staff From Dispatches

WASHINGTON — House and Senate negotiators working on a compromise of a new farm bill agreed Thursday on key subsidy provisions that could help get the legislation ready for a vote before Congress adjourns for the year.

The conference committee rejected four attempts Wednesday night to break a deadlock that has troubled the lawmakers since debate on the government's farm policy began last winter. That deadlock involved the highest price the government pays farmers for wheat, corn, feed grains, rice and cotton.

Conferees, voting 6-2 with one abstention, agreed Thursday to freezing wheat and corn subsidies for two years, and then gradually lowering them.

But they could not agree on how much land farmers would be required to keep unplanted in return for receiving federal income protection. Many other potentially contentious issues remain before a final agreement could be reached, including food stamps and trade matters.

Congress was scheduled to adjourn Friday, but the Senate majority leader, Robert J. Dole, Republican of Kansas, threatened to delay consideration of several bills to keep enough lawmakers in town to vote on a final version of the farm bill. (AP, NYT)

## Reagan's Tax Setback: A Misreading of Minds

(Continued from Page 1)

"It's one thing to differ with the president on personal principle, but to work against the president's No. 1 domestic priority — that's something else."

On another level, the defeat in the House shows the depth of Republican opposition and ambivalence toward the tax bill drafted by a Democrat-led committee, and what Republican critics term the layers of uncertainty in the White House over strategy.

It is a measure of the situation's ironies that Mr. Reagan staked his prestige only grudgingly on a tax proposal that had the potential of emerging as a major triumph of his presidency, although it was shaped by Democrats.

On the other hand, Mr. Reagan enthusiastically endorsed a budget-reducing proposal that had the potential of proving far more harmful to the Reagan agenda than the tax measure.

In essence, the budget proposal, which conservatives in the White House and in Congress have generally opposed, could blur the entire Reagan agenda and shrink military spending far more than Mr. Reagan had ever sought.

This measure mandates that military and most domestic programs be subject to yearly, automatic across-the-board cuts in the budget if Congress fails to adhere to certain deficit targets. Its aim is a balanced budget by 1991.

Mr. Reagan initially gave lukewarm support to the Democratic tax revision plan. Although Mr.

Reagan and his aides plainly disliked portions of it, support for it was viewed as the only way of achieving some tax revision.

"They screwed up, they handled it very badly," said Representative Clay V. Mallory of New York, a Republican and a Reagan loyalist. "They didn't contact the Republican leadership in the House and talk to Bob Michel. That didn't help the cause any. To have overlooked him in the process was a bad mistake. Bob is a leader everyone respects."

He was referring to Representative Robert H. Michel, a Republican of Illinois and the minority leader, who opposed the bill.

Discussing the defeat, Jack Albertine, president of the American Business Conference, a coalition of medium-sized businesses, said: "The reason is clear. The Republicans in the House have never been enamored with the whole process of tax reform. Michel has never been enthusiastic about the whole process. The degree of cohesion, though, is a surprise."

A key Republican legislative

aide said of the White House: "They were caught napping. It's not totally their fault. It was a semi-spontaneous thing, it had an energy of its own."

John Buckley, a spokesman for Representative Jack F. Kemp, Republican of New York, who opposed the Democratic bill, said many Republican legislators were offended at the "take it or leave it" attitude of the Democrats. He said Republicans were given no option but to endorse the Democratic measure.

He was referring to Representative Robert H. Michel, a Republican of Illinois and the minority leader, who opposed the bill.

Discussing the defeat, Jack Albertine, president of the American Business Conference, a coalition of medium-sized businesses, said: "The reason is clear. The Republicans in the House have never been enamored with the whole process of tax reform. Michel has never been enthusiastic about the whole process. The degree of cohesion, though, is a surprise."

A key Republican legislative

### Ransom Demand in Colombia

The Associated Press

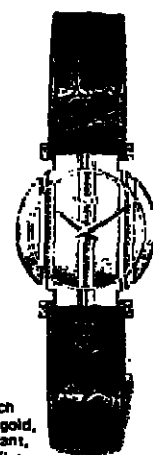
BOGOTA — Colombian guerrillas who kidnapped two U.S. engineers from an oil camp this week want a \$6-million ransom, the Defense Ministry reported Thursday. The hostages, Edward Schell and Jack Gilles, work for Occidental Petroleum Corp. and Bechtel International Corp.

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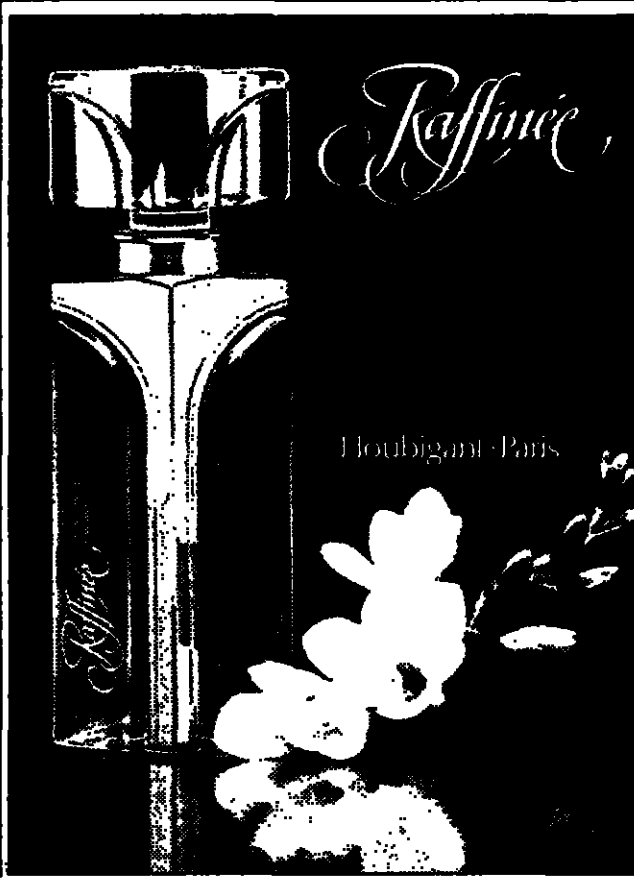
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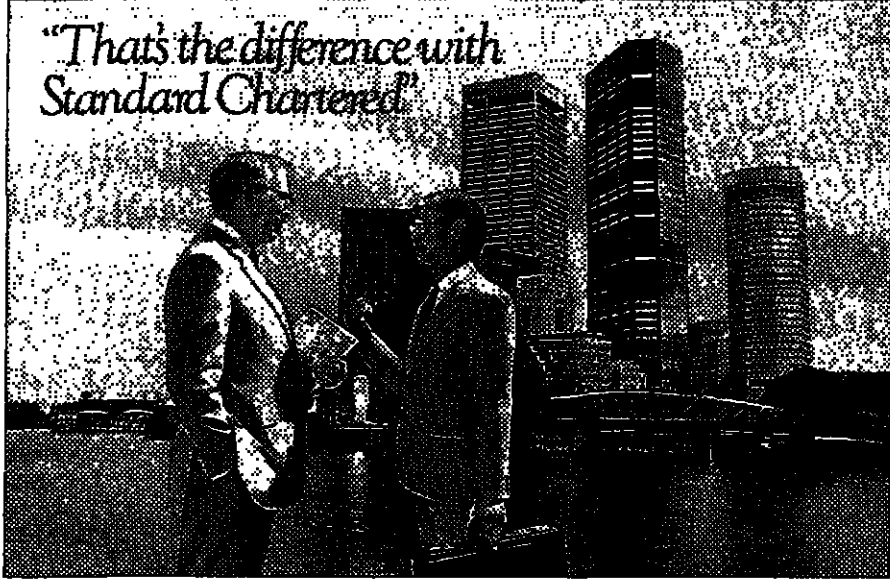
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## Managua Steps Up Pressure on Dissidents

By Edward Cody  
Washington Post Service

MANAGUA — Sandinist security officials have tightened censorship over the last two months and, through numerous arrests and interrogations, have issued a series of tough warnings to leading Nicaraguan dissidents in political parties, labor unions and the church.

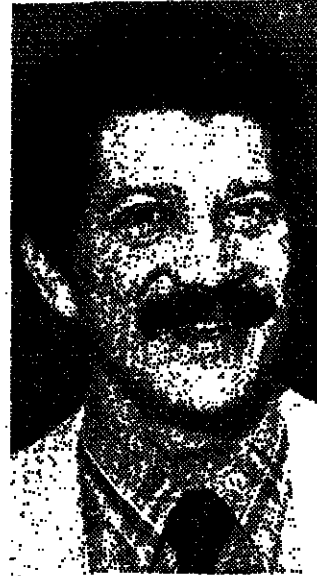
The increased pressure against government opponents has taken place in the framework of stiffened state of emergency restrictions decreed Oct. 15 by President Daniel Ortega Sarmiento.

Lino Hernández, a lawyer who heads the opposition Permanent Human Rights Committee, estimated that more than 300 persons have been summoned for interrogation by the Interior Ministry's General Directorate for State Security since the Oct. 15 order and that about 20 remained in jail.

The Reverend Bosco Vivas, auxiliary bishop of Managua, said that total included "not fewer than 100" Roman Catholic lay activists and another 50 priests.

The officers have been mainly political party leaders, evangelical ministers and union activists, according to diplomatic sources. Mr. Hernández and interviews with those called in.

Jimmy Hassan, a lawyer and evangelical preacher who heads the Campesino Crusade for Christ in Nicaragua, said he was taken away at gunpoint by security police who showed up at his house at 6 A.M. on Oct. 31. He was released eight



Omar Cabezas

hours later, but then interrogated again for more than 10 hours the next day.

Neither Mr. Hassan nor a number of other detainees interviewed this week reported physical abuse, although several complained of rough treatment and threats of long prison terms for opposition to the government.

Mr. Ortega, in announcing the broadened suspension of civil liberties in October, said it was necessary to combat an "internal front" working to support anti-Sandinist guerrillas.

Within days, more than 120 persons were arrested in the countryside on charges of carrying messages among rebel units, the government announced. Since then, 50 more have been arrested on similar charges, according to reports reaching the Permanent Human Rights Committee.

Mr. Hernández said the additional 300 interrogations, and in some cases arrests, were designed to intimidate political dissidents.

"I would say the state of emergency was not directed against the armed counterrevolutionaries, but against civic opposition to the government," he said. "What they are doing is closing the little space that remains."

Deputy Interior Minister Luis Carrión Cruz, in explaining the expanded restrictions, said Oct. 20: "What they have been unable to achieve with mercenary forces, the imperialists try to achieve through their agents."

They are trying to achieve it through open, cynical and insolent political activity," he said.

Deputy Commander Omar Cabezas, a Sandinist security official, said in explaining the interrogations of a dozen evangelical pastors that their religious sermons were encouraging draft resistance in defiance of the law.

Responding to expressions of concern by related U.S. evangelical groups, he asked why such concern should focus on Nicaragua when security forces in countries such as Chile and El Salvador murder dis-

sidents instead of interrogating them and releasing them after a few hours or days as Nicaragua has done.

"Yes, we have called in Catholic priests and told them they were violating the laws," Mr. Cabezas said. "It's the least we can do. They were violating the law."

Jaime Chamorro, co-director of the La Prensa opposition newspaper, said that since Oct. 15, the amount of news that is censored has risen from about 40 percent to 60 percent of what his staff tries to report.

■ Censors Relent on Letter

Radio and newspaper spokesmen say censors deleted most of a letter from Pope John Paul II about tensions between the church and state, then changed their minds and allowed its publication and broadcast in full. The Associated Press reported from Managua.

The letter, sent by the pope for Monday's Feast of the Immaculate Conception, said church leaders should not be discouraged by "intimidation and criticism of ministers" in Nicaragua.

The manager of Radio Católica, Alberto Caraballo, said the letter "was mutilated" by censors Dec. 7 and "we decided not to transmit it that way, since our interpretation was that the government did not want the people to know the true message from the pope."

He said the government later ordered that the letter be broadcast in full "but only one time, which we did Tuesday at noon."

## Farmers' Sense of Powerlessness Frays Social Fabric

(Continued from Page 1)

today, 63 percent of whom are small producers.

The factory workers may resent being forced to undergo job retraining. But losing land and machinery means life retraining for an independent, middle-aged farmer who, despite years of 16-hour days, must acknowledge that he has failed to carry on his family's farm legacy.

A bank manager, too, may feel angry frustration at having to warn even reliable debtors of late payment penalties, or having to summon a lifelong friend, and announce the end of his friend's farm livelihood.

In hundreds of conversations in recent years, across the rural Middle West, both farmers and bankers said that much of this fear and frustration, this stress and sense of powerlessness, seems to come from decisions made so far away: interest rates, crop prices, grain embargoes and even foreclosures by government agencies or by the main

office of a local bank recently consumed by a merger.

Small towns may never have been as idyllic as Hollywood found them, nor as venal as Sinclair Lewis described them. For some, small towns produced claustrophobia, everyone knowing everything about everyone. But for many others they produced security, creating a rational, predictable system of social values and behavior.

Where handshakes and first names and shared coffee hours were once adequate social cement, now documents are required by distant bureaucrats or local authorities who fear the distant bureaucrats.

Once a local customer's overdrawn check was likely to be overlooked by a bank officer, a friend who knew the farmer would have the money tomorrow when he sold his corn; now the check is likely to draw a computerized red flag and the attention of a young officer transferred to the little bank for two years.

Shortly before the elderly farmer

in Hills, Dale Burr, shot the bank president, John Hughes, a teller rejected a check on the farmer's overdrawn account.

Last year the Iowa Legislature passed a law enabling any credit institution to send a list of its debtors to grain elevators, cattle sales barns, or any institution where a farmer might generate money by selling his products. The law enabled banks to require these institutions to make checks payable to both the farmer and the bank.

This prohibits a few farmers from receiving income without applying at least some toward their outstanding debts, debts that in the aggregate were threatening to drown creditors in red ink.

The list suggests to many honest customers, who now have to take every check to the bank for approval just to deposit it, that they were no longer trusted, a further fraying of the social fabric.


Such precautions also fed fears on both sides of the credit crunch, especially at bill-paying time in the fall and early winter. A recent sur-

vey of 155 Iowa agricultural bankers found 45 percent of the respondents, up from 24 percent last year, characterized relations with farmers as tense.

Half the bankers said they had been verbally abused, 13 percent had been physically threatened and 4 percent were actually attacked. Some bankers admit carrying guns at times.

The traditional code of the countryside requires silence outside the family on personal problems: Don't wash dirty laundry in public. In private and public sessions, mental health counselors are trying to break those taboos and build networks of neighbors for emotional support to combat the psychological isolation of depression, especially among rural males.

Some have reached for a rifle or shotgun; those long-familiar weapons that in many rural households outnumber the humans. And they have lashed out like lightning at the nearest target, a wife, a bank president, a farm animal or in many cases, themselves.



## Beyond the debt crisis— Latin America the next ten years.

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**JANUARY 27, 1986**

Chairman: Lee W. Huebner, Publisher, International Herald Tribune.

**KEYNOTE ADDRESS**

Antonio Ortiz Meno, President, Inter-American Development Bank, Washington D.C.

**SNAPSHOT OF THE DEBT CRISIS, RESCHEDULING MOVES, ADJUSTMENT PROGRAMS**

Eduardo Wiesner Durán, Western Hemisphere Director, International Monetary Fund, Washington D.C.

**LATIN AMERICAN INITIATIVES TO TACKLE THE DEBT PROBLEM**

Jesús Silva Herzog, Finance Minister, Mexico.

Fernão Bracher, Governor, Central Bank, Brazil.

**HOW THE INTERNATIONAL FINANCIAL SYSTEM SHOULD ADAPT**

Michel Comolles, Governor, Banque de France.

Robin Leigh-Pemberton, Governor, Bank of England.

**HOW MULTATIONALS HAVE MADE A SUCCESS OF OPERATING IN THE REGION**

C.J. van der Klugt, Vice-Chairman, Philips Industries, Eindhoven.

Peter Wallenberg, First Vice Chairman, Scandinavianiska Enskilda Banken, Stockholm.

**REVIVING INDUSTRIES IN LATIN AMERICA**

The Honorable Edward Seaga, M.P., Prime Minister, Jamaica.

Francisco Sureda, Finance Minister, Ecuador.

Arnaldo Musich, Director, Organización Techint, Buenos Aires.

**JANUARY 28, 1986**

Chairman: Anthony Sampson, international writer, Editor of The Sampson Letter.

**NEW EFFORTS TO STIMULATE TRADE WITH THE AREA**

Claude Cheysson, European Commissioner, Brussels.

Felipe Jaramillo, Chairman of the Contracting Parties to the GATT, Geneva.

**THE NEED FOR A LONG-TERM SOLUTION TO THE DEBT PROBLEM AND FOR NEW CREDITS**

Enrique Iglesias, Foreign Minister, Uruguay.

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مكتبة الأصيل





### West German Protest of Nuclear Recycling

A West German policeman, right, dragged a demonstrator away by the hair Thursday during the second day of clashes at the construction site for a nuclear recycling plant at Wackersdorf in Bavaria. Police arrested 17 demonstrators Thursday, after making six arrests the day before. Environmental groups oppose the plant, which is intended to reprocess spent nuclear reactor fuel.

### Anne Baxter, 62, Movie Actress, Dies

By Alexander Reid  
New York Times Service

NEW YORK — Anne Baxter, who won an Academy Award in 1945 for her role in "The Razor's Edge," died Thursday at a New York hospital, where she had been taken after collapsing of a stroke. Miss Baxter had been appearing in television series "Hotel," in which she replaced Bette Davis. She had suffered a stroke in the past, playing the role of a libby San Francisco hotel owner. Miss Baxter won her Oscar for her portrayal of Sophie, a beautiful young American in Paris, in a 1945 adaptation of Somerset Maugham's novel. She was nominated for a second Academy Award for her portrayal of Eve Harrington, a scheming, social-climbing young actress, in the 1950 film "All About Eve." In the film, Miss Baxter replaced Bette Davis on Broadway in "All About Eve," in the role of Eve Harrington.

Miss Baxter was born in Michigan City, Indiana, and her family moved to New York when she was 4. The granddaughter of Frank Lloyd Wright, Miss Baxter studied acting with Maria Ouspenskaya. At 13, she made her acting debut in the Broadway play "Seen But Not Heard."

Three years later, she went to Hollywood. Her first film was "Twenty Mile Team" (1940) with Wallace Beery. In 1956, she played Nefertiti, Queen of Egypt, in Cecil B. DeMille's "Ten Commandments." Her other films included "Charley's Aunt" (1941), "The Magnificent Ambersons" (1942), "Five Graves to Cairo" (1943), "I Confess" (1953), "Walk on the Wild Side" (1962), "The Family Jewels" (1965) and "The Busy Body" (1967).

Miss Baxter married John Hodiak, the actor, in 1946. They were divorced in 1953. Her second marriage, in 1960, was to Randolph Galt, a rancher in Australia. For several years Miss Baxter lived on a cattle ranch in the Australian outback. She and Mr. Galt were divorced in 1970. Her book "Interruption: A True Story," published in 1976, told of her experiences there.

In 1977 she married David Klee, a New York investment banker. He died the following year.

**Other deaths:**  
Curtis D. MacDonnell, 82, professor of journalism at Northwestern University in Evanston, Illinois, from 1942 to 1971. Nov. 12, from complications following surgery.

Bill Wamsby, 91, who as a second baseman for the Cleveland Indians in 1920 made the only unassisted triple play in World Series history, Sunday in Lakewood, Ohio. His real name was William Adolph Wambegans.

Pierre Nord, 85, a French author of spy novels, Wednesday in Monaco. A colonel and wartime Resistance fighter whose real name was Andre Brouillard, he wrote about 75 novels.

Danuta Usmov, 63, the Bulgarian-born tenor who sang on the world's foremost opera stage until vocal cord surgery ended his career in 1966, Wednesday in Vienna.

### British, Irish Pledge to Hold Ground On Accord

Reuters

BELFAST — Britain and Ireland have pledged to continue implementing their agreement on Northern Ireland despite attempts to wreck it during its first session by extremists from both sides of the divided community.

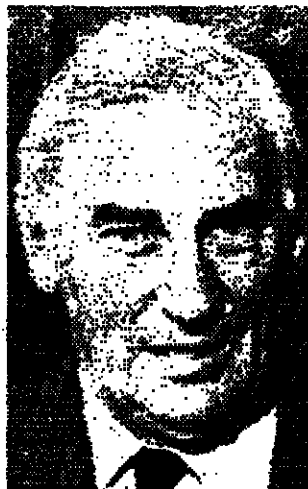
After the inaugural meeting Wednesday of the Anglo-Irish Conference, the body set up to implement the accord signed last month, Peter Barry, Ireland's minister for foreign affairs, said the two governments might be on the road to achieving peace and stability in the North.

Speaking in Dublin on his return Wednesday from Belfast, Mr. Barry emphasized, however, that the process was at an early stage.

The co-chairman of the new committee, Tom King, Britain's secretary of state for Northern Ireland, said the initiative would not bring quick success but added: "I think it is a genuine and constructive way."

As the first meeting took place there were demonstrations by angry Protestant loyalists in which 38 policemen were injured, and a mortar attack by guerrillas of the Provisional Irish Republican Army on a country police station that left four officers hospitalized.

But Irish government sources said that both countries had been expecting an upsurge in efforts to wreck the accord, which is aimed at ending the alienation of the Catholic-nationalist population that has provided the IRA with its support.



Peter Barry

Loyalists see it as a first step toward a reunified Ireland.

The main result of the first session was agreement that more armed Irish police, including special anti-terrorist units, would be drafted in the South into border areas to help stop the movement of guerrillas.

The two sides also agreed on measures aimed at improving the image among Catholics of the mainly Protestant security forces in Northern Ireland.

These include a new code of conduct for policemen and the inclusion of regular police officers in patrols by the largely Protestant Ulster Defense Regiment, which is deeply distrusted by Catholics.

**Backing in Europe**  
The European Parliament endorsed the British-Irish agreement in a resolution Thursday. The Associated Press reported from Strasbourg, France. The vote was 151-28.

It said the accord offered "a unique opportunity to make progress toward peace and reconciliation."

### NATO Says It Wants to Consult on Soviet Ties

(Continued from Page 1)

ment and production of armaments.

NATO officials acknowledged that substantial problems must be overcome if the policy is to be implemented successfully, but the U.S. delegation greeted the move as a major step toward improving alliance effectiveness at a time of "national budget restraints and a widening gap between Warsaw Pact and NATO conventional capabilities."

The major European concern clearly centered on an impending decision by Mr. Reagan about whether the United States would continue its adherence to restraints in the unratified strategic arms treaty. Some senior administration officials have advocated abandoning that policy because of alleged Soviet violations of the treaty.

At the time of the last NATO ministerial meeting in June, Mr. Reagan announced that the United States would continue its practice of not undercutting the arms restrictions, but would keep that policy under review in the light of future Soviet conduct.

Some ministers, particularly Sir Geoffrey Howe of Britain, reportedly emphasized to Mr. Shultz that every effort must be made to achieve substantive progress in the Geneva arms control talks if the United States wanted to avoid a resurgence of anti-nuclear sentiment in West European public opinion.

### Reagan Signs Bill to End Budget Deficits by 1991

(Continued from Page 1)

bill to tide the government over until early next week.

That would give negotiators the time they need to wrap up both a farm bill and the long-term spending bill and enable Congress to adjourn for the year by the middle of next week.

The House spending measure calls for \$268.8 billion for the Pentagon for the current fiscal year, while the Senate wants \$282.5 billion, a level for which the administration is pressing.

Both measures provide less for foreign aid than the White House is asking, and more on domestic programs.

Mr. Reagan has threatened to veto both versions of the spending bill. A veto would keep Congress in session for at least as long as it would take to pass a new appropriation.

The votes by the House and Sen-

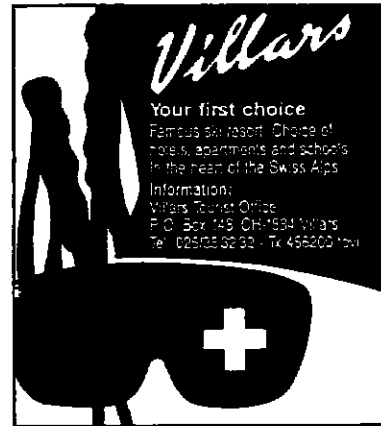
ate on Wednesday night sending the balanced budget proposal to the president ended months of stormy debate that continued until the final roll call.

The Senate Democratic leader, Robert C. Byrd of West Virginia, labeled the measure "a cup of poison," and other critics said it could lead to a tax increase instead of the deep spending cuts envisioned by supporters.

The Senate majority leader, Robert J. Dole, Republican of Kansas, said: "We've made history of some kind and we'll see how it works next year."

The increase in the debt limit, which is the government's borrowing authority, to \$2,079 trillion ended months of fiscal turmoil for the government, which had resorted to a series of bookkeeping measures to stay solvent.

Treasury Department officials said the government would have been in default without action by midnight Thursday. (AP, NYT)



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### Disasters in '85 Mark Aviation's Deadliest Year

Compiled by Our Staff From Dispatches

NEW YORK — Even before Thursday's crash of a chartered C-8 in Newfoundland, 1985 had become the deadliest year in the history of commercial aviation because of two earlier aircraft disasters. The crash Thursday was the third worst in 1985 and the worst accident involving a charter aircraft in aviation history. It was the 19th major civilian plane crash this year. More than 1,600 persons have been killed in 1985 in aircraft accidents, surpassing the previous record of 1,299 in 1974, according to the Civil Aviation Organization. The year's worst incident was the crash of a Japan Airlines Boeing 747 on a mountain near Kyoto on Aug. 12. With 520 ails, it was the worst single-crash disaster in history. On June 23, 329 persons died in an Air India 747 plunged into the Atlantic off Ireland, a crash suspected. The crash of an Iberia Boeing 747 in Spain on Feb. 19 killed 8, and 137 died in the crash of Delta Air Lines Lockheed L-1011 at Dallas-Fort Worth International Airport on Aug. 2. (AP, UPI)

### Fear of AIDS Grows in Soviet As Officials Blame the West

(Continued from Page 1)

epidemic to the Central Intelligence Agency or the Pentagon, or to tribes in Central Africa. One of these, entitled "Panic in the West" and published in October in the weekly magazine Literaturnaya Gazeta, is credited with touching off public concern about AIDS.

Most of those articles have described it as an infectious disease most prevalent among homosexuals, drug addicts and prostitutes. But the lecturer stressed that AIDS among children and married people also is increasing.

In the Sovetskaya Kultura interview, Dr. Zhdanov blamed the outbreak abroad on increased contact between people from different countries in the postwar period, and particularly since the 1960s. The articles appear to have succeeded in increasing suspicion against foreigners. A rash of official reports about AIDS before the International Youth Festival here in July has given way to persistent but unproven rumors that contacts between Soviets and foreigners have resulted in an AIDS outbreak.

Near the lecture's end, the speaker recapped his list of preventive measures with a recommendation to avoid contact with foreigners and undesirable elements. He added that blood for transfusions should be drawn from women, who he said are less likely to be AIDS carriers.

**Russian to Attend Meeting**

The Soviet Union for the first time will join 40 medical experts next week in a meeting to discuss AIDS, Reuters reported Thursday from Geneva. Half of those afflicted worldwide

have died and there is no sign of a cure, said Dr. Fakhr Al-Assad of the World Health Organization, which called the three-day meeting.

The Soviet Union will be represented by Dr. M.I. Parfanovich of the Ivanovsky Institute of Virology. Hungary also will send a delegate.

### U.S. Panels Say 500,000 Bought False Diplomas

New York Times Service

WASHINGTON — Two congressional panels have asserted that more than 500,000 Americans have obtained false credentials or diplomas in fields ranging from medicine and zoology to architecture.

A report issued Wednesday by the House subcommittee on health and long-term care and the subcommittee on housing and consumer interests, and testimony the same day at a joint hearing by the two panels, suggested that fraudulent credentials were a growing problem. One panel estimate put the number of doctors with false credentials operating in the United States at 10,000.

A New York state investigator said at the hearing that a New York City hotel had been built under the supervision of an individual who pretended to be an architect.

The profits for selling fraudulent credentials were reported to be enormous.

### Plane Crash Kills 258

(Continued from Page 1)

approximately 150 miles (243 kilometers) northwest of St. John's, the capital of Newfoundland on Canada's Atlantic seaboard. It is often by planes traveling between North America and Europe.

The DC-8 is a four-engine jet manufactured by McDonnell Douglas. The plane that crashed was 16 years old and had flown 50,000 hours and 27 million miles, a spokesman for the manufacturer said.

**Division's Greatest Disaster**  
The loss of 250 lives was the steepest peacetime disaster for the Airborne Division, known as "Screaming Eagles." United International reported, quoted in Harrison, deputy public relations officer at Ft. Campbell.

The division has a rich military history and has performed a number of peacetime missions, including enforcement of school desegregation in Little Rock, Arkansas, during World War II, the 101st Airborne during 33 days of combat fighting in France after the invasion of Normandy, and months later, at the Battle of the Bulge during Christmas week it held off a siege by five German armored divisions.

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Help make certain that this happens - by getting out of the dollar now!  
It would be the last chance for an "emergency landing" of the world economy. This emergency landing is better than crash landing.  
Please act now before it is too late.  
Sincerely yours  
J. P. Dethman

This letter is published today also in "Frankfurter Allgemeine Zeitung", world edition.  
This action is a unique attempt to influence a world market price - the US-dollar exchange rate - by a well-founded recommendation.  
It may succeed only if the message is seized and spread widely by more and other media.  
Johann Philipp von Bethmann, Frankfurt, Germany, the initiator and writer of the letter, is a journalist and former private banker. He has written articles for "Handelsblatt", "Die Zeit", "Wirtschaftswoche", "Welt am Sonntag", etc. He is the author of three books edited in Germany and of "The Interest Rate Trap", published lately by the Committee for Monetary Research and Education Inc. (CMRE) Greenwich, Connecticut, U.S.A.



# Herald Tribune

Published With The New York Times and The Washington Post

## Same Standard for China?

In the Senate, uneasiness seems to be increasing over the nuclear agreement with China. Under the agreement, which is now in effect, American manufacturers will be able to sell power reactors and related technology to the Chinese. In return, the Chinese have pledged not to divert the materials or technology to military uses or to help any other country — Pakistan, for example — build nuclear weapons. But the United States will have no reliable way of knowing how faithfully the Chinese abide by their commitment.

Senator John Glenn of Ohio has brought up this uncomfortable reality several times recently, and each time a few more senators have joined him. This week they were a majority. On Monday he succeeded in attaching a brief and useful paragraph on this subject to Congress's continuing resolution on federal spending. The Senate leadership tried to set the Glenn amendment aside but, in the roll call, lost by 28 votes to 59. The amendment probably will not survive in the final legislation because the conference is going to try to throw out everything not strictly related to spending. But those 58 senators who voted with Mr. Glenn represented a remarkably wide range of opinion in both parties, and they are right.

When the United States sells nuclear reactors to other countries, it insists on safeguards — specifically, the system of international in-

spection and materials accounting that is administered by the International Atomic Energy Agency. The Chinese agreement makes no reference to safeguards. America has settled therein for far less rigorous assurances.

The administration says that it considers the Chinese dependable, and that the commitments they made will tie China securely into the worldwide effort to halt the spread of nuclear weapons. The Glenn amendment, according to the administration, would force renegotiation of the whole agreement and would broadly damage relations with China. That is not a trivial case. China often has behaved badly in regard to spreading nuclear technology, and even its relatively loose promises to America represent important progress.

But, Mr. Glenn asks, does it make any sense to sell nuclear technology to China under less demanding rules than, say, to Japan? Why trust China more than America's allies? He argues that this agreement will become a precedent for a general relaxation of the world's nuclear control standards, and he is right. The Glenn amendment would simply apply safeguards to any nuclear technology that the United States sends China. It is a reasonable and conventional requirement. If it is not enacted with the continuing resolution, the Senate will need to return to it next year.

— THE WASHINGTON POST.

## New Chance in Guatemala

For Guatemala, now comes the hard part. The military, in power for most of 31 years, has honored its promise to permit the free election of a civilian president. The vote seems to have been fair. The victor, with the highest vote total in history, is an attractive center-leftist, Marco Vinicio Cerezo, and he pledges to take charge without vengeance against the military for its murderous rule. If he succeeds, it will be a tremendous advance for democracy in Central America's most developed nation.

Success is far from certain. Mr. Cerezo plainly does not lack for courage; three assassination attempts failed to deter his candidacy. "The only way they are going to get me out of the palace is to carry me out dead," he defiantly proclaims. But in fact he has trimmed a bit, running a conservative campaign. His Christian Democratic Party promised to respect landowners and financial interests, to try to one for human rights violations and to let the

military manage counterinsurgency. A new constitution leaves the armed forces in control of local government and legalizes the resettlement of Indians into "model villages" and their conscription into civilian patrols. Human rights abuses against urban citizens may now decline, but what relief can be expected by citizens in the countryside?

Swollen military budgets and endless warfare have contributed to a severe economic crisis. Foreign lenders and donors will feel more comfortable about helping a civilian government, but until priorities are reordered, new money may not make much difference. Mr. Cerezo, an admirer of Eisenhower, suggests that his deference to the military is part of a grand strategy, yielding to realities. That judgment, backed by the voters, should not be second-guessed from afar. Americans join in hailing his victory, and his promise.

— THE NEW YORK TIMES.

## Save the Tax Reform Bill

The House of Representatives should rescue and pass the tax reform bill to force the Senate to deal with the subject next year. No one can endorse the bill unreservedly. It is too big, and has gone through too many hands. But on balance it would make the system fairer.

The measure's most powerful provisions would move tax thresholds back above the poverty line, so the poor would no longer owe income taxes. They generally did not in the 1970s, but have begun to since. About six million families and individuals with very little income would be taken off the rolls by this step. Many are working poor who pay rising Social Security taxes and were perhaps the biggest losers in President Reagan's first-term spending cuts, which tended to lower eligibility for social programs. The second-term tax bill is an important counterbalance to the first-term fairness issue.

These tax cuts for the poor were proposed by the president. He also proposed large tax cuts for the very rich. The House Ways and Means Committee tapered these down. Its bill would reaffirm the traditional progressivity of the income tax, the principle that rates should rise with income. The committee also strengthened minimum taxes both for individuals and corporations. Some tax reformers see this as a weakness, a confession that the committee could not accomplish all it should have in

eliminating preferences. But not all preferences are bad; the logic of a minimum tax is simply that there must be a limit to anyone's use of these tax-reducing devices in any one year. The new provisions would achieve that. This is the most basic fairness issue in taxation: Those with income ought to pay.

There are certain industries — defense, banking, real estate — whose effective tax rates over the years have been egregiously low. They have become symbols of discontent with the tax code. The bill would deal decisively with several of these. Defense contractors would lose the so-called completed contract provision by which many have all but avoided taxes in the past. Banks would lose deductions for excess bad-debt reserves. Depreciation periods would be stretched out on real estate.

Many in and out of Congress believe that next year there will be a tax increase — that while the president still will not hear of it, there must be. The current bill would be an imposing vehicle. It is "revenue-neutral" now; what it raises by narrowing preferences it returns by cutting rates. It would not be hard to adjust these combinations to increase revenues, and the increase would be the fairer for the reforms that would accompany it. It was the president's idea: it is the Democrats' bill. Both parties should vote yes today.

— THE WASHINGTON POST.

## Other Opinion

### A Useful Start in South Asia

The South Asian Association for Regional Cooperation, set up in Bangladesh last week, is a useful, if modest, step toward giving the area greater stability. It does not promise to be a panacea for the subcontinent's many problems. On the contrary, it is deliberately cautious in its objectives. Its founding charter specifically avoids controversial issues, particularly of a bilateral kind. It rests on certain broad principles that all seven members — India, Pakistan, Bangladesh, Sri Lanka, Bhutan, Nepal and the Maldives — can agree on. This is a sensible start.

What the region needs first, as Rajiv Gandhi, India's prime minister, rightly pointed out, is "to build mutual confidence and trust."

The hostility between India and Pakistan lies at the heart of the subcontinent's problems. It is this that is the indirect cause of the region's arms build-up and to some extent its political instability. Now that both nations appear on the verge of acquiring nuclear arms, the need for a solution is even more urgent.

— THE FINANCIAL TIMES (London).

## FROM OUR DEC. 13 PAGES, 75 AND 50 YEARS AGO

### 1910: The 'Unseen Vampire' of War

NEW YORK — The New York World says: "If there were no other reason for making an end of war, the financial ruin it involves must sooner or later bring the civilized nations of the world to their senses. As President David Starr Jordan of Leland Stanford University said at Tufts College: 'Future war is impossible because the nations cannot afford it.' In Europe, he says, the war debt is \$26 billion, 'all owed to the unseen vampire, and which the nations will never pay and which taxes poor people \$95 million a year.' The burdens of militarism in time of peace are exhausting the strength of the leading nations, already overloaded with debts. The certain result of a great war would be overwhelming bankruptcy."

### 1935: Egypt Restores Its Constitution

CAIRO — Events of the past month, including country-wide riots, culminated [on Dec. 12] with the promulgation of a decree by King Fuad restoring the 1923 Constitution. Before Premier Nessim Pasha presented the decree for the King's signature, he had an interview with Sir Miles Lampson, in which the British High Commissioner said that Great Britain had no objection to the principle of restoration, but deemed immediate application of the 1923 Constitution to be undesirable at present. The Premier was asked by the King to remain in office until elections may be held and parliamentary activity resumed. Consequently the cabinet did not resign as expected.

## What Keeps Kennedy in The Blocks

By William Safire

WASHINGTON — Ebel Kennedy's son Joseph is running for the Massachusetts seat once held by his uncle, and her daughter Kathleen is thinking of running for Congress in Maryland. The Kennedy clan is making its generational move, and it is nice to see the familiar grins on the new faces.

But what of Senator Edward Kennedy, now a ripe old 53, who will be Ronald Reagan's present age in the year 2006? Will he run? Can he win? I have those answers for you today.

The right-winger worth his fatality flawed SALT-2 long for the day. Teddy Kennedy hits the hustings in what is sure to be an ideologically wrenching, Democrat-dividing race for the presidency. We want to run against Mr. Kennedy because he stands there defiantly as the Undeclared Lefty in an era of right-wing triumph; to beat him decisively in open national combat would drive a stake through liberalism's heart at midnight.

Shrewdly, deceptively, we make the case for his candidacy with our friends in the opposition.

First of all, we say, rest assured Mr. Kennedy is running. Oh, he won't let on until late 1987, but his political action committee has a bundle in the kitty already, while Gary Hart is still in the red.

A Kennedy man, Paul Kirk, now runs the Democratic National Committee. Richard Nixon has told us that the litmus test will be Mr. Kennedy's weight, and the senator's intimates tell me that their man now weighs in at a respectable trim 200 pounds (90 kilograms), down from 230 a year ago.

Second, we say with furrowed brow, he is hip to the issues that burn on the television screen. When stock in sanctions on South Africa was selling at its low, Mr. Kennedy remembered his brothers' call to Martin Luther King in jail and bought heavily; he now stands deservedly in the forefront of the fight against apartheid.

And the new Kennedy is not your knee-jerk liberal. He agrees with President Reagan on the immediate handling of budget power over to the president; he is a born deregulator; he decided early to



Drawing by Lurie.

abandon his Democratic allies in Angola, and we are for all that, Mr. Kennedy would be the clearest proponent of Your Side, and we think the man on Our Side can whip him on the issues. Like in '64 — a choice, not an echo.

And you promise not to bring up the character issue?

You have our solemn oath! Hand-liners can give this assurance in good faith, because we know that every other Democratic candidate for the nomination will be walking film crews around Edgartown, Massachusetts. At every Kennedy rally, the unfair media will focus on some guy in a frogman outfit carrying a sign. Republican candidates will need only to note every day that they are just too high-minded to raise the Chappaquiddick issue, central to the judgment of a man's character though it may be.

Our dream lives, but we will not be able to sell the Democrats on Mr. Kennedy. He will make running noises, poll furiously, titillate the left until the last minute, and then realize his Senate term ends in 1988 and a loss would mean oblivion. Unless a ring-a-ding recession curbs conventioners' hair, Ted will then withdraw with a hummingbird of a speech that will make everyone cry. Especially Republicans.

The New York Times.

## When the Pacific Is No Longer an American Lake

By Jonathan Weisgall

WASHINGTON — This year may be recalled as the year the Pacific ceased to be America's lake. New Zealand refused port entry to a U.S. destroyer. Australia, backed down from a commitment to help monitor an MX missile test and instability in the Philippines has raised questions about U.S. bases there. Meanwhile, the Soviet Union, after setting up a major naval base in Vietnam,

In the subtle battle for the Pacific, America is off to a bad start.

nam, has offered economic aid to small island nations in the area. One accord has been reached — a \$1.7-million fishing pact with Kiribati, the former British colony of the Gilbert Islands. The Greenpeace affair has galvanized anti-nuclear sentiment in the region, much of it against the United States.

A subtle battle for the Pacific has started, and the United States should take immediate steps to shore up its faltering relations in the region.

First, Congress should now pass the Compact of Free Association, which establishes the future political relationship between the United States and its United Nations trusteeship, Micronesia. The compact is a bargain. It provides for indefinite "strategic denial," preventing Soviet access to Micronesia, and assures use for the next 30 years of Kwajalein Atoll, an important missile range.

Different versions of the compact were passed recently by the Senate and the House of Representatives. Only a few legislative days remain this year, and the Micronesians are ready. The U.S. lease on Kwajalein Atoll has expired, and some landowners are occupying their islands.

Second, the United States should sign a fishing pact with the Pacific island nations. Fishing rights are the most important resource of these nations, but the United States does not recognize their 200-mile (320-kilometer) exclusive economic zone for tuna. Kiribati's fishing accord with the Soviet Union does not reflect any ideological shift to the left. Rather, it reflects a need for a reliable source of revenue, disgust with the American Tunaboat Association's failure to pay fishing fees, and disappointment that the U.S. government did not force the

payment. Kiribati's annual budget is about \$9 million, so failure to pay was catastrophic and made the Soviet offer that much sweeter.

The State Department is negotiating a regional fisheries agreement with the island nations of the area. If the United States refuses to recognize their 200-mile fisheries, it is likely that Tonga, Tuvalu and Vanuatu will sign deals with the Russians soon.

Third, America should play a more active role in the area. There are two U.S. embassies among the dozen, or so independent or self-governing island states in the Pacific, and one regional office of the Agency for International Development that administers programs totaling \$6 million annually. The answer is not necessar-

ily more aid but better programs. America could learn from China, whose 1984 aid to Kiribati was 200 (much-loved) bicycles, or Japan, which gave that country excess rice to sell in stores below retail prices.

Fourth, the United States must consider that these traditionally pro-American islands are challenging allied nuclear policies in the area. The Pacific has had direct contact with nuclear issues since Hiroshima. The United States conducted 66 nuclear tests in the Marshall Islands, and France continues testing at Mururoa. Japan has proposed dumping nuclear waste off the Northern Marianas.

In response to these developments, the 13 members of the South Pacific Forum, including Australia and New

Zealand, have ratified a treaty banning the manufacture, testing or stationing of nuclear arms in almost all the South Pacific. This wide anti-nuclear sentiment is summed up in a poster that says, "It's so safe, store it in Washington, dump it in Tokyo and test it in Paris."

Washington should reassess its position on deep-sea nuclear dumping vs. above-ground storage and the effect that French nuclear testing may have on the environment in the Pacific. If a cohesive policy for the region is not devised, the United States may lose the battle for the Pacific.

The writer, a Washington lawyer who represents the people of Bikini Atoll, is writing a book on U.S. nuclear testing in the Pacific. He contributed this comment to The New York Times.

## Botha's Style, Boesak Says, Is Much of the Problem

By William Raspberry

CAPE TOWN — The question, says the Reverend Allan Boesak, is not whether the government will do what is necessary to bring political change and peace to South Africa. The question is whether the present government can do it.

And, he adds, in the manner of one whose mind no longer allows him to resist an unpleasant conclusion, "I think we have to seriously reckon with the probability that this government cannot do it."

Mr. Boesak, leader of the World Alliance of Reformed Churches, father of the United Democratic Front of groups opposed to apartheid, is one of the more thoughtful, intellectually honest and troubled men you are apt to meet. He was alone in his office in a mixed-race suburb, granting another interview: on his confiscated passport, the charge of subversion for leading a march to the prison where Nelson Mandela is jailed, his opinion of Gorbachev.

But for some reason he decided to say boldly what so many people of all races have been reluctant to say: That President Pieter W. Botha is the wrong man for the job of saving South Africa.

The problem is this: The best hope for peace here is through negotiations involving authentic black leaders. That means, at the minimum, the unconditional release of Mr. Mandela and other political prisoners, the end to the banning orders against the African National Congress and other liberation groups, and the return of political exiles — perhaps also the suspension of the constitution. These preliminaries constitute a single package. It would take a major leap of faith to implement them.

But Mr. Botha's cautious political style seems to be the opposite of what is required. His tiny, always-too-late concessions are met with contempt by blacks and with alarm by his own right wing. His caution, in a situation calling for bold statesmanship, only buys him trouble, and that makes him more reluctant to try anything bold. Frustrated, he keeps turning to the only thing in which he seems to have confidence: more repression.

But the harsh repression that halted earlier liberation drives (riots, as he saw them) is not working this time. The emergency measures may be keeping the battles off the airwaves, but it has not kept them off the town-

ship streets. Mr. Botha does not seem to know what else to do.

So what is the way out? Mr. Boesak says that white South Africans must understand that it is in their interest for Mr. Botha to be replaced. Soon.

"I really think that we are in what one could call a decisive phase of the struggle," the minister said. "It's not the final phase yet, but it is the phase that will determine whether constructive change is possible. If it doesn't happen by the turn of the century, it will never happen."

But that does not mean, Mr. Boesak adds, that whites would be well-

The writer, a professor of political science at Duke University and a staff member of the Brookings Institution, contributed this comment to the Los Angeles Times.



By Peterson in The Sun (Vancouver, Canada). C&W Syndicate.

advised to cling to power while waiting for the liberation struggle to exhaust itself. The alternative to a liberation effort, he says, is not continued white dominance, but a country become ungovernable.

"People who think that we'll be going from here to some kind of Angola or a Zimbabwe situation are making a mistake," he says. "I think South Africa is moving toward a Lebanon situation." He called that prospect "truly frightening."

"We have a generation of kids of 8 and 9 and 10 and 15 who are being jailed, who are being brutalized by the police, who have been tortured, who have seen their little friends shot to death for no reason at all, who have experienced the violence, the tear gas and the gunplay that those kids like like come 1969?"

"It is not cute when mothers bring me their 4-year-olds who, when they see me or my picture, stand with their fist in the air and shout 'Amandla! Xhosa for 'power' or 'Nkosi Boesak!' It is not a compliment. I know they mean well, but what is the world we are doing with our kids?"

"When they are 15, they may be able to make petrol bombs and to throw them — but what does that do to our children?"

"I don't think we can hide this any longer. We have got to find a way to getting rid of the present government as soon as possible. Whites will have to do that, and the outside world will have to help. Something must happen in the very, very short term."

Washington Post Writers Group.

### Berkeley, Cum Laude

In response to the report "At Berkeley, University Takes on an Oriental Aura" (Nov. 21):

Berkeley should be proud of its commitment to admission through merit. Officials there must have understood great pressure from old grads and the establishment. Only by giving opportunity to high achievers, with their built-in work ethic and determination to succeed, can the United States continue to forge ahead. Britain would do well to learn from this. Though there have been improvements, many with little ambition are educated there.

JACQUES MERCANTON, Paris.

### Paying the Debt Bill

In response to "Budget Balancing, Alas, Requires Doing Just That" (Nov. 19) by David S. Broder:

In all the agonizing over the U.S. budget deficit and the debt burden on future generations of Americans there are two factors that have not been given much attention.

More than 80 percent of the outstanding debt is domestically held, by insurance companies, financial institutions, pension funds and individuals. (U.S. foreign debt is another matter.) This is a case mostly of one set of Americans (the general public) owing another set of Americans (the bond holders).

In most plans to balance the bud-

get, sacrifice is called for by various sectors of the economy (social security, domestic welfare programs, tax-payers), but never by those Americans who could most easily afford the sacrifice — holders of U.S. government debt. While outright repudiation of U.S. debt is not being advocated, it seems fair that when sacrifices are needed, a sharing of the interest due on government debt should be included.

The government's promise to repay in full the bond holders should not be more sacrosanct than its promises to Social Security recipients; civil servants, pensioners and others who have relied on the government for part of their security.

EDWARD C. BITTNER, Nairobi.

### A Pearl From Wicker

The ever more astounding Tom Wicker has the gall to complain in his Dec. 5 opinion column that he "has suffered quite enough cheap talk about a 'treasonous' press that is not 'on our side.'"

But then he graces us with a pearl of nonsense. Being a Marxist-Leninist, he says, "is in itself no more a security threat to the United States than being a Republican, a Rotarian or a churchgoer."

I respectfully suggest that anyone who makes such an assertion need look no further than his own published blots to learn why most Americans view their media with suspicion.

JACK JOLIS, Brasschaat, Belgium.

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الشرق الأوسط



## At a Cavern Base, a Show of Afghan Rebel Strength

By Barry Reinherd

**ZHAWAR, Afghanistan**—Hidden in a mile-long complex of man-made caverns, guerrillas fighting Afghanistan's Soviet-backed government have built a military base that includes bomb shelters for tanks, a subterranean hospital and a mosque.

The base, in a narrow valley in the southern Paktia province, is ringed by fortifications and defended by tanks and artillery with anti-aircraft batteries on the surrounding mountain tops.

A reporter came to the base in a jeep from Pakistan through areas of Afghanistan controlled by the rebels, accompanied by a guerrilla leader who had invited him. The Communist government in Kabul, the capital, bars the entry of Western reporters.

The base area resounded throughout the day with clanging from workshops where trucks and tanks were being repaired and heavy weapons serviced.

Zhawar is a sign of things to come, said the base commander, Bakhterjan Jaber. "We're building, we're going to expand this center and make it even safer for the Mujahidin," he said, referring to what the Islamic guerrillas call themselves.

The base is a remarkable show of strength by the guerrillas fighting Afghanistan's army and an estimated 115,000 Soviet troops. The facility is also a sign of the increased flow of arms and money reportedly reaching the guerrillas from the United States, China, Saudi Arabia and other nations.

Mr. Jaber talked about the base in his garden as he watched the tank crews at work on their vehicles, the roar of engines drowning out the base's loudspeaker system summoning the garrison to evening prayers.

Mr. Jaber wore a large white turban on his head and a bandolier across his chest. He carried a pistol and dagger at his side. Aides hovered behind him. Nearby were the stacked carcasses of Soviet helicopter gunships and Soviet MIG jets shot down in recent attacks on the base.

Living conditions on the base are very different from those in the mountain hideouts where the rebels have lived for years, often short of weapons, ammunition and food.

"This is the only place like it in Afghanistan," said a guerrilla officer.

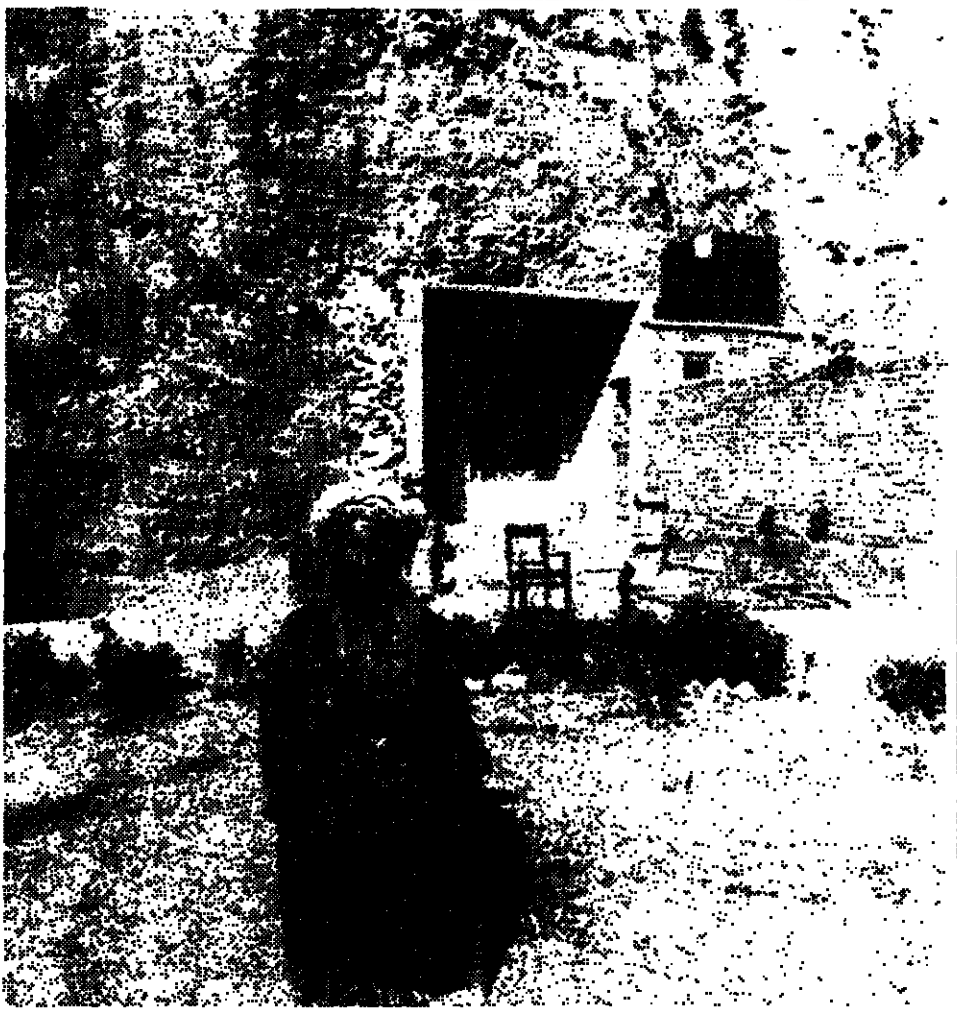
On the wall of the base headquarters is a green stone outline map of Afghanistan.

"This is Afghanistan," another guerrilla said. "This is our country. We love it."

Mr. Jaber said Zhawar is indicative of when the Mujahidin will



Bakhterjan Jaber, commander of an Afghan guerrilla base at Zhawar, in his garden. Guerrilla leaders would allow only a few areas of the secret base in southern Afghanistan to be photographed.



have forces equaling those of the Communists. But he added, many Afghan rebels still have barely enough to fight with.

Little of the base can be seen from the air. Nearly all of the facilities are in caverns excavated in the sheer valley walls. Guerrillas would allow only a few areas to be photographed.

Scores of men with picks and shovels were building new caverns and reinforcing them with concrete walls and steel girders.

Thick stone and brick blast walls had been constructed in front of the entrances to the more important workshops as shields against bombs exploding in the valley. Several bomb craters could be seen in the valley floor, and guerrillas said they had been raided several times during the summer by Soviet and Afghan planes.

The sides of the cliffs were honeycombed with chambers and shelters. Firing ranges and other training facilities were laid out in the valley. Rebel officers said the garrison consisted of about 200 guerrillas and about 50 armors, technicians and medical workers.

A guerrilla officer, Alam Jan,

and his tank work force and some Afghan Army prisoners were working on two Soviet-made T-54 tanks.

Mr. Jan, who was trained in Afghanistan's Army armored corps before the Communists took power in 1978, said he had 10 tanks at Zhawar and at several nearby bases that had been captured intact from Soviet and Afghan forces.

The tanks are used as mobile artillery for hit-and-run attacks on government positions, but Mr. Jan said he dreamed of the day when he would lead them into battle against Soviet armored forces.

"God willing, it will not be long," he said.

Armors worked in the base machine shops with industrial lathes and drills, repairing anti-aircraft guns. A dozen heavy machine guns were propped up against the wall awaiting attention and more weapons were lined up outside.

Mr. Jaber said the base was about four years old, but major construction had only begun this year. The commander sat next to a captured Soviet-made telephone switchboard linking his command post to all parts of the base.

Construction work is taking place during the winter lull in the fighting, Mr. Jaber said. A large hospital was being finished, and the guerrillas said they hoped to have it working, along with an operating room and X-ray facilities, when fighting resumed in the spring.

Soviet troops came within three miles (4.8 kilometers) of the base during a major offensive in August and September, Mr. Jaber said. But the base had never been in serious danger and the enemy could not take it, he asserted.

Everywhere at Zhawar are surre-

al sculptures fashioned by the guerrillas from dud Soviet aerial bombs, bits of downed aircraft and exploded missiles. The commander's garden is surrounded by a ring of aerial bombs planted amid the flower beds.

Sitting on chairs or blankets, the guerrillas sip green tea. Surrounding them are the outlandish sculptures, which seem a cross between war trophies and a vague attempt to make a symbolic statement about Zhawar's survival.

"Mujahidin look at the bombs and are happy," an officer said. "They cannot kill us."

## Afghanistan Says Rebels' Bombs Kill 9 in Kabul

The Associated Press

**ISLAMABAD, Pakistan**—Bombs planted by guerrillas demolished an air force building in Afghanistan's capital and badly damaged a nearby university building, killing nine persons and injuring 75, the Afghan government has acknowledged.

The government's announcement of the bombings Wednesday was unusual. The government rarely acknowledges defeat, insisting that the Islamic guerrillas fighting to unseat it have no popular support and are ineffective.

In a broadcast monitored in Islamabad, the Afghan government radio service said that the air force meteorological department at the Kharij Rawash Air Base in Kabul was demolished by a bomb on Sunday and that nine persons were killed and 54 injured.

The bombers struck again Monday, seriously damaging a building at Kabul's Polytechnical University and injuring 21 students, Radio Kabul said.

Afghan guerrilla officials, reached by telephone in the Pakistani city of Peshawar near the Afghan border, suggested that the bombings caused greater casualties than were admitted.

The rebels and other sources routinely report on developments in Kabul, and a guerrilla official speculated the government was trying to get a scaled-down version of the attack out first.

"It sounds like many people are dead. A lot more than Kabul is saying," said a guerrilla official, who asked not to be identified for security reasons.

Radio Kabul blamed "imperialist" nations for the attacks and described the attackers as "anti-revolutionary wage earners of the imperialists." The Afghan government claims that the guerrillas are mercenaries supported by the United States, China and other nations opposed to the Kabul government.

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## Taba Talks End Without Statement

The Associated Press

**HERZLIYYA, Israel**—Israeli and Egyptian negotiators ended three days of talks Thursday without announcing agreement on how to resolve a border dispute that has strained their relations.

The two teams discussed methods and terms for settling their rival claims to the tiny Red Sea beach enclave of Taba in the Sinai Peninsula, but they did not issue a joint statement.

But David Kimche, one of the negotiators and director-general of the Israeli Foreign Ministry, said each side understood the other better.

"From that point of view, we have made great progress," he said in Herzliyya, a Mediterranean resort town 13 kilometers (eight miles) north of Tel Aviv.

Abdel Hameed Badawi, head of the Egyptian delegation, said there had been progress but declined to elaborate.

"This has been the most successful round of talks so far," Israel radio quoted him as saying.

Also on the agenda was how to settle 14 disputed points along the border, normalization of trade and tourism ties and compensation for seven Israeli tourists killed by an Egyptian policeman Oct. 5 in the Sinai resort of Ras Burqa, near Taba.

Israel radio said a meeting of the 0-member cabinet was expected next week to decide whether to submit the Taba issue to arbitration.

The Labor Party of Prime Minister Shimon Peres of Israel has agreed to go along with Egypt's demand for arbitration, while the Likud, led by Foreign Minister Itzhak Mordechai, insists that conciliation talks be tried first.

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Denmark	Dkr.	1,920	1,049	570
France	F.F.	1,410	760	414
Germany	D.M.	1,200	644	359
Great Britain	£	101	53	30
Greece	Dr.	15,400	8,454	4,672
Netherlands	Fl.	520	278	146
Ireland	£.M.	115	60	34
Italy	Lira	276,000	149,040	82,800
Luxembourg	Lfr.	9,020	4,876	2,668
Norway	Nkr.	1,200	765	423
Portugal	Esc.	13,800	7,457	4,050
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## Business takes off with Falcon



NYSE Most Actives				
Vol.	High	Low	Last	Chg.
IBM	167 1/2	167 1/4	167 1/2	+ 1/4
AT&T	154 1/2	154 1/4	154 1/2	+ 1/4
GE	117 1/2	117 1/4	117 1/2	+ 1/4
Amgen	107 1/2	107 1/4	107 1/2	+ 1/4
Amgen	107 1/2	107 1/4	107 1/2	+ 1/4
Amgen	107 1/2	107 1/4	107 1/2	+ 1/4
Amgen	107 1/2	107 1/4	107 1/2	+ 1/4
Amgen	107 1/2	107 1/4	107 1/2	+ 1/4
Amgen	107 1/2	107 1/4	107 1/2	+ 1/4
Amgen	107 1/2	107 1/4	107 1/2	+ 1/4

Dow Jones Averages				
Open	High	Low	Last	Chg.
Index	1754.24	1753.50	1753.50	-0.74
Trans.	171.74	171.50	171.50	-0.24
Indus.	162.22	162.00	162.00	-0.22
Comp.	162.22	162.00	162.00	-0.22

NYSE Index				
High	Low	Close	Chg.	Vol.
1754.24	1753.50	1753.50	-0.74	175,424
1754.24	1753.50	1753.50	-0.74	175,424
1754.24	1753.50	1753.50	-0.74	175,424
1754.24	1753.50	1753.50	-0.74	175,424

NYSE Closing				
Vol. of 4 P.M.	Prev. 4 P.M. vol.	Prev. 4 P.M. vol.	Prev. 4 P.M. vol.	Prev. 4 P.M. vol.
175,424	175,424	175,424	175,424	175,424
175,424	175,424	175,424	175,424	175,424
175,424	175,424	175,424	175,424	175,424

AMEX Diaries				
Class	Prev.	Class	Prev.	Class
Advanced	100.00	Advanced	100.00	Advanced
Advanced	100.00	Advanced	100.00	Advanced
Advanced	100.00	Advanced	100.00	Advanced
Advanced	100.00	Advanced	100.00	Advanced

NASDAQ Index				
Close	Chg.	Close	Chg.	Close
224.24	+0.24	224.24	+0.24	224.24
224.24	+0.24	224.24	+0.24	224.24
224.24	+0.24	224.24	+0.24	224.24
224.24	+0.24	224.24	+0.24	224.24

AMEX Most Actives				
Vol.	High	Low	Last	Chg.
Amgen	107 1/2	107 1/4	107 1/2	+ 1/4
Amgen	107 1/2	107 1/4	107 1/2	+ 1/4
Amgen	107 1/2	107 1/4	107 1/2	+ 1/4
Amgen	107 1/2	107 1/4	107 1/2	+ 1/4
Amgen	107 1/2	107 1/4	107 1/2	+ 1/4

Dow Jones Bond Averages				
Close	Chg.	Close	Chg.	Close
100.00	+0.00	100.00	+0.00	100.00
100.00	+0.00	100.00	+0.00	100.00
100.00	+0.00	100.00	+0.00	100.00
100.00	+0.00	100.00	+0.00	100.00

NYSE Diaries				
Class	Prev.	Class	Prev.	Class
Advanced	100.00	Advanced	100.00	Advanced
Advanced	100.00	Advanced	100.00	Advanced
Advanced	100.00	Advanced	100.00	Advanced
Advanced	100.00	Advanced	100.00	Advanced

Odd-Lot Trading in N.Y.				
Buy	Sell	Buy	Sell	Buy
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00

Standard & Poor's Index				
High	Low	Close	Chg.	Vol.
1754.24	1753.50	1753.50	-0.74	175,424
1754.24	1753.50	1753.50	-0.74	175,424
1754.24	1753.50	1753.50	-0.74	175,424
1754.24	1753.50	1753.50	-0.74	175,424

AMEX Sales				
4 P.M. volume	Prev. 4 P.M. volume	Prev. 4 P.M. volume	Prev. 4 P.M. volume	Prev. 4 P.M. volume
175,424	175,424	175,424	175,424	175,424
175,424	175,424	175,424	175,424	175,424
175,424	175,424	175,424	175,424	175,424

AMEX Stock Index				
High	Low	Close	Chg.	Vol.
224.24	224.00	224.24	+0.24	224,240
224.24	224.00	224.24	+0.24	224,240
224.24	224.00	224.24	+0.24	224,240
224.24	224.00	224.24	+0.24	224,240

AMEX Most Actives				
Vol.	High	Low	Last	Chg.
Amgen	107 1/2	107 1/4	107 1/2	+ 1/4
Amgen	107 1/2	107 1/4	107 1/2	+ 1/4
Amgen	107 1/2	107 1/4	107 1/2	+ 1/4
Amgen	107 1/2	107 1/4	107 1/2	+ 1/4
Amgen	107 1/2	107 1/4	107 1/2	+ 1/4

## Dow Slips During Profit Taking

**United Press International**  
NEW YORK — Broad market indexes made new highs Thursday in the tenth-busiest session in Wall Street's history, but the Dow Jones industrial average backed off slightly.

The Dow rose a bit in the morning and then fell about seven points on combined profit-taking and sell programs before late buying erased most of the losses, traders said. The Dow finished with a modest loss of 0.46 to 1,753.54. Broader market indexes made new highs. Standard & Poor's 500-stock index rose 0.42 to 206.73, the fourth new high this week. The New York Stock Exchange composite index established a record for the second consecutive day, rising 0.32 to 119.12. The price of an average share jumped 10 cents.

On the Big Board, 170.54 million shares changed hands, down from 178.47 million shares traded on Wednesday. Composite volume totaled 203.87 million shares, compared with 214.68 million shares traded in the previous session.

Advances beat declining issues 911-722 among 2,063 issues traded. Analysts said investors took profits after recent advances, with much of the selling focused among blue chip issues that have had especially strong runs.

"The market gave up a little bit of ground but that should not come as a surprise after its tremendous rally," said John Burnett of Donaldson, Lufkin, & Jenrette Securities. Selling sent market bellwethers General Motors and IBM functionally lower, he noted.

Surendh Bhargava, portfolio strategist at First Boston, said that as a trader, he would take

## M-1 Rises \$5.3 Billion

**Reuters**  
NEW YORK — The narrowest measure of the U.S. money supply, known as M-1, rose \$5.3 billion to a seasonally adjusted \$26.1 billion in the week ended Dec. 2, the Federal Reserve said Thursday.

The previous week's M-1 level was revised downward to \$26.0 billion from \$26.1 billion, while the four-week moving average of M-1 rose to \$26.9 billion from \$26.5 billion. The M-1 measures money-supply growth, including currency in circulation, travelers checks and checking deposits at financial institutions.

profits at this point and buy the stocks back cheaper a couple of months from now. The economy will not be very strong in the first quarter of 1986, he said. Auto sales will be disappointing and shipments of new computers will look relatively lackluster compared with a strong fourth quarter in 1985.

"Whenever we have had the market up 15 percent in two months, the move has been followed by a sideways or corrective phase over the next three or four months," he said.

A strong bond market rally, the primary force behind the move up in equities, also is due for a pause, Mr. Bhargava said.

"We need a cut in the discount rate," he said. "If we don't get it, the market could very easily move down five or 10 percent."

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## French Architects Use 'Savoir-Terre' To Bring Back Earthen Housing

by Vicky Elliott

L'ISLE D'ABEAU, France — Mao Zedong was born in a house with earthen walls, so, it seems, was Indira Gandhi. The king of Morocco was born in an earthen palace, and in the United States, where houses of earth are a Sun Belt luxury item, the president has his own adobe ranch house.

In France, a small civilizing mission is underway, preaching the virtues of unbaked earth as a building material, both in the form of sun-dried or stabilized bricks or as rammed earth within wooden frames. An excellent insulating material, earth saves on heating and air conditioning; it demands no energy-consuming industrial processes, and it comes under foot (or more specifically, from below the top soil) and not, like cement, for money in gas-consuming trucks.

The Pompidou Center's 1981 traveling exhibition on the world's earth architecture, conceived by Jean Dethier, the consultant architect of its Center for Industrial Creation, was dispatched in mail-sized packages all over the globe, and has been seen by three million people as far afield as Armenia and Mongolia. But in the Third World, where the hungry are as often as not also the homeless, earth is archaic. If building with earth is such a good idea, Dethier was asked on his travels, how is it that nobody does it in France? A pilot project in one of the "new towns" of the 1960s, L'Isle d'Abeau, 18 miles (30 kilometers) from Lyon, is an attempt to answer that criticism. Inaugurated in bitter cold last month, the "Domaine de la Terre," a group of 65 housing units planted in small clusters on a rain-swept hillside, was conceived as a kind of plant nursery that would help to nurture modern techniques in earth construction, both in Europe and in the Third World.

The experiment was launched with an architectural competition in 1981, timed for the Pompidou Center exhibition, which winnowed out 10 designs. The inspiration was diverse — from self-styled "vernacular-international" to solar greenhouse to farmyard barn — but the constraints were Procrustean: the budget and the norms of France's subsidized low-rent housing, or HLMs.

The aim, which put 10 groups of architects from all over France to work on a single plot, was to prove that building with earth was not an intellectual hobby horse, but a feasible proposition; to make fools of the skeptics who argued that earth would not stand up to the wind and the rain. It was also a way to update ancient techniques while stocking up on experience in the "logic of the raw material." And the local housing authorities, helped out with generous research subsidies, would recoup in monthly rent at least some of the outlay.

Paradoxically, in the context of decentralization in France, the initiative came from Paris, but the new town's authorities had various interests in adopting the project. For one thing, L'Isle d'Abeau had underwritten a charter pledging both that it would respect the environment and a pursue a policy of energy conservation. Then, the two out-of-story buildings fit in well with the sporadic urban planning of a town that spreads in patches over a stretch of farmland 20 by 10 kilometers (12 by 6 miles).

Moreover, among the cultural baggage of the region around Lyon, though less familiar to the average Frenchman than its culinary flair, is the technique of building in *pisé*, or rammed earth. A tradition that is thought to date back to the Gallo-Roman period, it is well implanted in the Rhône-Alpes, which, with Devon in England, ranks as the densest concentration of earth houses in Europe.

Of the buildings constructed before the turn of the century, no less than 85 percent in the region are in *pisé*, gentle and lowly alike: sturdy, comfortable farm houses, four-story neoclassical mansions and that early manifestation of the centralized state, the combi-

nation schoolroom and village hall. In many of the villages between Macon and Lyon, the only stone building was the church.

The *pisé* is not always apparent: after World War I, Paris began to impose its own norms in building design, and local traditions began to be covered with a fig leaf of sophistication. Most of the 18th- and 19th-century buildings, standing evidence of the viability of *pisé* in construction, are now smeared with a hideous layer of fibro-cement (and sometimes, as a crowning insult, painted with brickwork). Such dubious protection is not only unnecessary but positively harmful. Unlike the traditional lime washes, cement is a non-permeable substance that prevents the walls from breathing, and this ultimately leads to structural damage.

In such villages as Massilly and Cibeins there are still barns and agricultural complexes that display the old skills in unadorned splendor: the foundation in flat, rounded stones, the granular packed earth, the veins where the master *pisier* started on the next layer of his building, and the triangular reinforcements in chalk at each corner.

I N L'Isle d'Abeau, a village of 800 that provided the nucleus of the new town of 15,000, the last barn went up in 1953. But people still know what it is to live in *pisé*. The mayor, Alain Rosset, recounts how his son practices the trumpet unheard behind the 19-inch wall into the next room, and how he can come back from a week's holiday without having to turn on the heating.

The architectural tradition, then, had been there, though like France's local dialects and many other regional diversities, it was dying a slow and apparently certain death.

But a small nucleus of young architects based in Grenoble, the CRATene group, had been agitating for over 10 years to spread the word. Many of them began their career in the Third World, and their achievements include not only helping to build a housing development of several thousand units in the Ile de Mayotte, considered ex-

plary, but to resuscitate the skills at home. They won architectural respectability when they helped to institute, at Grenoble's School of Architecture, the first university course in the techniques of earth-building.

This group provided technical expertise in L'Isle d'Abeau, and the more successful elements in the project drew also on the *savoir-terre*, as they like to call it, of local builders who had experience of the restoration of local houses. (A sideline was the construction of earth cellars for residents of postwar cement houses who complained that their salami and wine just didn't taste the same.)

Typical of these local sons was Guy Buet, who worked on two of the most successful designs. He tells how he motivated some of the old craftsmen with the promise of some good Beaujolais and tried to revive 30-year-old memories around a *banche*, or molding frame, to ram some earth one Saturday.

The L'Isle d'Abeau project experimented with three basic methods of construction: *pisé* proper, earthen bricks stabilized with a small percentage of cement, and a German technique using a mixture of clay and straw. It was something of a struggle to keep the costs down, and the consequent postponement of many of the projects exposed the builders to an unconscionably wet spring of 1983. (The best time to ram earth, in the Rhône-Alpes, at least, is May and June.)

The administrative tangles, in a domain in which regulations had yet to be established, were, by all accounts, wasteful of the energy of all concerned: questions of thickness of wall, of resistance of brick, of extra insulation. There were also insurance problems to be wrangled with (can anyone guarantee a *pisé* house, for example against the fireman's hose? The answer, apparently, is yes). It was all grist for the mill.

If the project is a seedbed for ideas, it must be said that some have fallen by the wayside. Some of the architects were more excited than others by the material itself; some of

Continued on page 11



House designed by Odile Perreau-Hamburger.

## This Year, Give the Camel

LONDON — And now for something completely different: For Christmas give the camel instead of the gold, frankincense or myrrh.

London Zoo, whose idea this is, can supply a camel for only £1,000 and the best part is that the giftee needn't even take the beast home. Under the zoo's animal adoption plan, the Christmas present remains in its habitat, which is embellished for a year with a plaque bearing the name of its adopter, who further receives a picture of his or her temporary pet and a free season pass to the zoo.

Adoption fees are based upon what it costs the zoo to feed an animal for a year and they range from £10 (about \$15) for a spider

### MARY BLUME

to £5,000 for an elephant. A basilisk is cheap at £10, two-footed sloths are a frequent gift to husbands, and this year's Christmas favorite seems to be penguins, hardly a bargain at £250. A more seasonal reindeer is way up in the pygmy hippo and bongo range at £750.

The adoption scheme now meets one-third of feeding costs, mere crumbs to the Zoological Society of London, which takes in £5 million a year and spends seven and which has had its financial up and downs since its foundation early in the 19th century, when its headquarters were still in Mayfair and monkeys ate the membership vouchers.

London Zoo and its country outpost, Whipsnade Park in Bedfordshire, are part of the Zoological Society of London, along with the Institute of Zoology which does research in many fields, most spectacularly in the breeding of endangered species with a view to returning zoo-born animals to the wild.

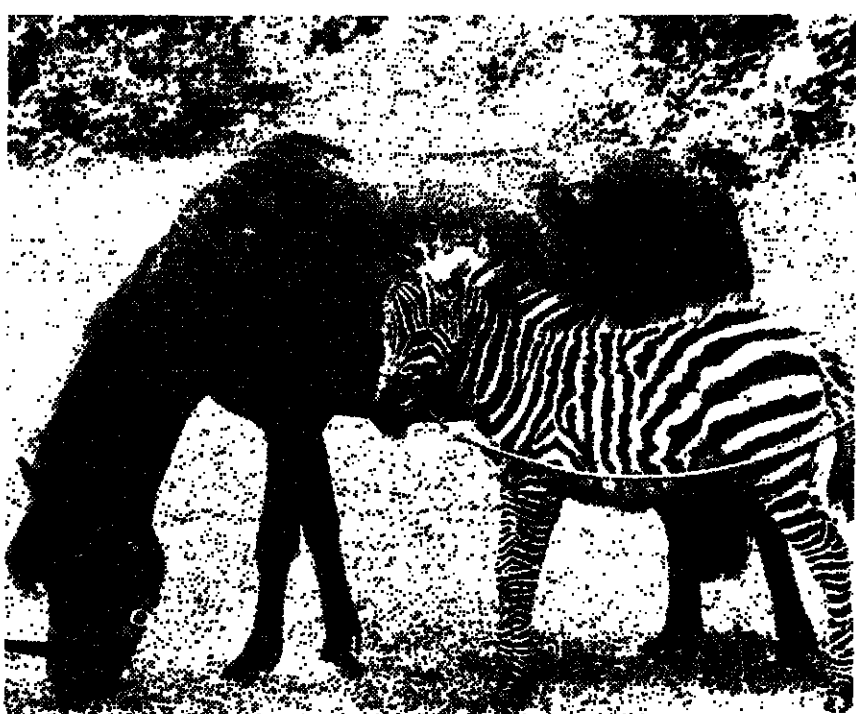
Last summer the first zebra foal born in Britain by embryo transplant was introduced to the press with its surrogate dam, a Welsh pony. Embryo transplants have not only made it easier to breed species on the verge of extinction such as the Przewalski horse, which is now being sent back to its Mongolian habitat, but they can also increase the birthrate since several mares can be impregnated at once.

London Zoo is very much a part of London life, being placed in the city's center in 32 acres of Regent's Park. It is not the oldest or biggest zoo but it is one of the most prestigious — its staff architects and consultants often abroad to help plan new zoos — and it has been greatly celebrated in literature.

Christopher Robin fed buns to its bears, Glenda Jackson and Ben Kingsley in the new Harold Pinter film free two of its giant sea turtles after 30 years of captivity, and in David Garnett's 1924 novella "A Man in the Zoo" there is an early example of performance art when a love-crossed man moves with his books into a cage marked HOMO SAPIENS and bearing the warning "Visitors are requested not to irritate the Man by personal remarks."

LONDON ZOO is also unhappily unique among great European zoos in that it is not government-financed, although it has received a three-year grant to cover its deficit from the Department of the Environment and has in the past been helped by the about-to-be-disbanded Greater London Council, which adopted its pride of lions and whose head, Ken Livingstone, once applied for a job as a keeper in the reptile house and was turned down.

There had long been private menageries in England (Henry I had lions, leopards, lynxes, camels, an owl and a porcupine) and there were other zoos in Europe when the Zoological Society was founded in 1826 by Sir Stamford Raffles, the creator of Singapore and discoverer of a vile-smelling flower called *Rafflesia arnoldi*. When the zoo opened the following year, only Fellows of the Society were admitted; to prevent "contamination by admission of the poorer classes" the public was admitted only upon introduction from a Fellow, and never on Sundays. Sum-



Young zebra with surrogate parent.

days were reserved for Fellows and their friends until 1957.

The fact that the zoo was from its start part of a learned society accounts for its nonsubsidized status and for its long reputation as a research center, says the zoo's director, David Jones. "The research institute is the largest of its type associated with any zoo in the world," he says. He is a zoologist and veterinarian, wears a blue pull-over and looks like a pipe smoker.

London Zoo's pride is less in its collection than in the way it is shown. "I suppose the prize exhibit is the small mammals," Jones says. "Very few zoos have a good small mammal collection because they're not terribly money-pulling, but shown well and in considerable number side by side, there's an enormous variety."

Dr. Brian Bertram, the curator of mammals, says there are 400 species of mammal and the zoo has room for 160. There are no whales, which is not surprising. Nor is there a koala.

"I have never seen one and I would love to," he says. "I am sure most people here haven't. I'm also sure no one would want to see a dying koala."

Koalas eat eucalyptus. "We keep ant-eaters successfully and they never eat an ant. But there is no incentive for Australia to develop artificial eucalyptus and no one here is trained in koala nutrition. We cannot afford to train someone in order to have a koala in ten years' time."

So, no koala. "There is no way we can be complete," says Bertram. Jones adds that this is not London Zoo's aim.

"The collection at the Berlin Zoo must be the best in the world — it's certainly the biggest — but their approach is that you show a representation of more or less everything," Jones describes this as an old-fashioned stamp-collecting approach and commends a more selective view.

"Go to Basel or to Emmen in Holland — they are zoos that concentrate on a few things and show them brilliantly and they interpret them well, with magnificent graphics, hands-on things for kids that relate to the things they are looking at."

Jones praises Basel for its gorillas, Indian rhinos, pygmy hippos and antelopes. Emmen is great for education. "You might think sewer rats are hardly a thing you would show in a zoo, but Emmen has a magnificent exhibition of sewer rats displayed in a sewer system and they do it in such a way that food is always up so the rats are always active. And there are quite a few in the States that use that — Cincinnati has good technology to keep animals on the move doing things,

making things much more interesting for the visitor."

Modern zookeeping has just about eliminated the horrid trade of capturing and selling wild animals. A high proportion of animals are zoo-bred (some of Mr. Jones's lions are eighth generation Londoners) and others are exchanged according to need among an inner circle of approved zoos. There is even a computerized international stud book for breeding programs.

London Zoo is now engaged on huge building plan in anticipation of which Dr. Bertram has given away his bears. "It was early to give them away, but we wanted to be sure they wouldn't have to be put down because people wouldn't want old bears."

THE bears used to inhabit the old concrete Mappin Terrace, which will be turned into an approximation of the North American tundra, with meadows, streams, artificial canyons, walk-through aviaries and a centerpiece of polar bears in a naturalistic setting which can also be viewed from below because, it is said, a polar bear swimming underwater is a beautifully graceful sight.

The first structure in the building program is an aquarium to replace one that opened in 1924 ("London Finds Its Sole" headlined The Daily Express) and which no one will miss. "People were gasping to get out after the first three tanks," David Jones says.

The new aquarium, described as "a planned experience," will climax in a superb tropical reef. "It should be mind-blowing," says Brian Bertram.

The aquarium will cost more than £2.5 million to build and £40,000 to stock. The entire revamping of the zoo will cost £22 million over the next 10 or 12 years and will, with luck, be partly financed by corporations. "Instead of putting £1 million in TV prime time, put it in the aquarium where your name will be seen for thirty or forty years," suggests the zoo's commercial manager.

No matter how modern, educational and original the zoo's new planned experiences will be, it will still have to keep what David Jones calls bread and butter animals — "the kiddies-books animals, which they'll be very disappointed if they don't see. Elephants, giraffes, lions. They have no conservation value at all and they're often very costly to feed, but you have to have them."

"We have to have animals out and around," Brian Bertram agrees; "200,000 rides, that's 200,000 delighted customers!" ■

## Remembering Somerset Maugham

by Thomas Quinn Curtiss

PARIS — W. Somerset Maugham died 20 years ago next Monday, but the sales of his novels and collections of his stories show no sign of falling off and his plays continue to entertain audiences everywhere. He was — and remains — among the most popular authors of the century.

Since his death many have tried to disclose the man behind the mask. What they have not done in the main recalls Oscar Wilde's sad prediction that it is always the Judas who writes the biography.

There was an air of mystery to Maugham and he cultivated it. He had been a British espionage agent and he knew how to keep his secrets. The Great Exposure broke out as soon as he was buried. His Boswells have not been generous.

The most informative of the "lives" is that of Ted Morgan, who cannot be accused of betraying confidences for he never met Maugham. An outstanding reporter, he had access to Maugham's diaries and papers, interviewed his friends, relatives, enemies and associates and presented the evidence. So candid and thorough is his study that it caused a lady of the British aristocracy who skimmed its pages to put down the book and, waving her longnosed, to exclaim: "Really, I don't think I want to know all this about Willie!"

Maugham was born in the British Embassy in Paris in 1874, where his father was a legal adviser to the ambassador. The child's first language was French and at the age of 8 he was sent to school in England. His mother died and he had a miserable boyhood, becoming the butt of his classmates because of his stammer. The torment of this affliction appeared in another form in his novel "Of Human Bondage," whose protagonist he made a cripple.

He never overcame his stammer. In old age he was honored with a banquet at the Garrick Club in London. His speech went well until he reached a passage in which he announced that his creative work was done and that he would spend the his days sitting on his veranda watching the world go by. "Veranda" was the fatal word.

"I shall sit on my . . . I shall sit on my . . . I shall sit on my . . ." he repeated, and unable to get the word out he broke off and in embarrassment and despair sat down.

The family fortunes went awry and he was obliged to select a profession. He chose medicine and, receiving his degree as a physician, he walked the hospital wards. His observations of his underprivileged patients provided the material for his first novel, "Liza of Lambeth." It was praised by the critics and is still in print, but it was only later when four of his plays were running simultaneously in the West End that he achieved financial independence.

His profligacy was resented and his popularity frowned on by his rivals. He never joined a clique. Unlike certain of his contemporaries his work carried no solutions for the world's ills. He wrote of what he

saw and knew. Manpassant was his model and on occasion he matched his master with his fearless realism.

The adherents of Bloomsbury also disapproved of his work as have their followers. Edmund Wilson, the American critic, complained that his plays were not "written," an odd charge. This was answered by the dramatist, S. N. Behrman, who wrote that strangely, though Maugham's plays were "not written," they had been published and were constantly performed. His play "The Circle" is one of the few comedies that has a Restoration flavor. Like the Restoration writers, Maugham adopted a French viewpoint, satirizing with cool and more often cruel wit the foibles of English society.

All Maugham's flaws of character have been paraded and analyzed in memoirs, biographies and little-tattle to compose an alarming portrait. He has been accused of hypocrisy for concealing his homosexuality. But he was 21 when Oscar Wilde was imprisoned and he had no itch to be either a martyr or a reformer.

That Maugham in his last years was prone to fits of bad temper, rudeness and incipient paranoia and that he was so absent-minded at times that he forgot who was who only proves that he had grown senile when he reached 90.

I N the early 1950s I visited Maugham in his Villa Mauresque at Cap Ferrat. His secretary, Alan Searle, was doubtful about an interview, but phoned the next morning to say an appointment was set for the following day. He told me that Maugham was eager to learn about an adaptation of one of his novels that had opened in Paris and was bringing him large and unexpected royalties.

He was about 80 and his gait was that of a much younger man. His sun-tanned, wrinkled face of tough leather texture gave him an oriental aspect, emphasized by his feine eyes of yellowish tint. He looked like an elderly mandarin in a Savile Row suit. He had recently been in Switzerland for rejuvenation treatment, and it may have benefited him. He seemed fit and alert.

"You know that play in Paris is not by me," he confessed. He spoke leisurely, but without hesitation or stutter. "It is an adaptation by Guy Bolton of my novel 'Theater,' which has been translated and is now a hit in French. 'Rain' was a similar case. A young man, John Colton, asked if he could dramatize my story, 'Miss Thompson.' I saw no play in it, but he did and it ran for five years in New York with that wonderful actress Jeanne Eagles as Sadie. Others are now writing plays from my stories — Behrman has made a play of 'Jane' and Zoe Akins has dramatized 'The Human Element.' I've retired from playwriting."

"Why? First, because my last two plays — 'For Services Rendered,' a strong anti-war play, and 'Smuggly,' a sort of philosophical fantasy — failed. I remember two famous and popular dramatists, Pinero and Henry Arthur Jones, telling me sadly that the public didn't want them anymore."

"But there is another problem, too. I don't get about as I once did. Of course, I still travel, but my circle is limited. I have no idea how young people talk these days or about what they talk. Indeed, I know little about the conversation today of older folk. It would be difficult for me to write dialogue that reflects the talk of the day. Plot, yes, for the basic issues never change: love, hate, envy, jealousy, the money chase, the power chase, the sex chase, those are eternal."

In addition to his fiction and plays Maugham has written some perceptive criticism. In his "Writers' Notebooks" one finds an enlightening comment on Russian literature, not only on the 19th-century giants, but on the pre-revolutionary authors who are being rediscovered in English now. In the 1950s he was occupied with writing prefaces to literary classics, French, English and Russian. He kept abreast of new writers, but in his late years he could read no longer because of cataracts on both eyes.

Maugham never wrote movie scenarios, but many of his stories and plays were filmed and brought him enormous sums, among them "The Painted Veil" with Greta Garbo, "Rain" — as "Sadie Thompson" — with Gloria Swanson, "East of Suez" with Pola Negri and "Of Human Bondage" with Leslie Howard and Bette Davis.

On a brief stay in Hollywood during World War II Maugham had offered a star with a wry question. The author was taken to a set where Spencer Tracy was dressed as a Victorian physician for a scene in "Dr. Jekyll and Mr. Hyde." Told the title, he inquired in an audible voice: "Which one is he now?"

In the 1950s three films were made from his short stories ("Duo," "Trio" and "Quartet"). All enjoyed international success and the public appetite was whetted for more.

Would there be more?

"I'm afraid not," said Maugham dolefully. "You know during my long life I've lived in various parts of the globe and I am observant. Among other things I have noticed that women often commit adultery and go scot free. So I wrote that in my tales. The moving picture censors object to adultery going unpunished in the movies. A film may show a woman indulging in an illicit affair, but later she must pay, be punished for her sin, his wages usually being a horrible death. I have never observed that so I never write it. The result is that I am being punished. The film people won't buy more of my stories because the censors won't allow them on the screen as they are written. And they say it's always the women who pays! How's that for justice and truth?" he asked with a broad smile.

To some, it seems Maugham was a monster of destructive cynicism. Others question his greatness as a writer. He was too profligate, too facile, too too. Let them argue the issues while millions of readers respond to his tale-telling. I remember him as a delightful personality, original, witty, urbane, and although a loyal Briton, more French than English in attitude. ■



[Maugham by Ronald Searle (1954).]





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# TRAVEL

## Quarrying History and Legend in Jerusalem

by Thomas L. Friedman

**J**ERUSALEM — Only in Jerusalem could a huge hole in the ground have historical significance for Christians, Moslems, Jews, Freemasons, devil worshippers and occasional treasure hunters.

Mind you, the hole in question is no meager opening in the earth. It is a five-acre cave under the Moslem quarter of the Old City of Jerusalem. It is variously called Solomon's Cave, Suleiman's Cave, Zedekiah's Cave, Korah's Cave and the haunted cave — depending on who is quarrying the history.

The entrance to Zedekiah's Cave — to choose one popular name — is just beneath the Old City wall, between the Damascus and Herod gates. The Jerusalem Foundation has just completed paths and installing lights throughout the cave, making it easily explorable by non-claustrophobic tourists who relish a good yarn with their archaeology.

The cave itself is the remnant of the biggest quarry in Jerusalem, which once stretched all the way from the Garden Tomb — where many Protestants believe that Jesus was buried — to the walls of the Old City. Only the mouth of the cave is natural; the rest was carved by unknown slaves and workmen over several thousand years.

As soon as you pass through its narrow mouth, the cave slopes down into a massive 300-foot-wide "auditorium," where a concert could be held if the orchestra could ignore the drops of water that trickle through the ceiling from hidden springs. They are known as "Zedekiah's tears," after the last of the kings of Judah, who is said to have used the cave as an escape route when fleeing his enemies.

Of this main "auditorium" the lighted paths lead into a variety of "galleries," or separate nooks and crannies hewn by man and nature into some fantastic rock formations. Bizarre symmetrical patterns and chiseled marks have been left behind by stonecutters on many sections of the rough limestone rock. In other galleries huge, nearly finished building blocks destined for some palace are locked into the rock where the stonecutters left them centuries ago, when for some reason they stopped work. Illuminated by the yellow lamplight, these geometric shapes help give the interior its eerie atmosphere.

In a few places the stones bear Arabic, Greek, Armenian and English charcoal-engraved graffiti, but they are the kind of graffiti that, in moderation, actually add to the historical sense of a place; there is no tacky "Kilroy was here," but

rather the understated likes of "W. E. Blackstone Jan. 1889."

The paths stretch into every corner of the cave, which takes a good 30 minutes to explore properly, and along the way are plaques that explain the myriad legends surrounding this unusual hole.

The oldest and most enduring legend about the cave is that it was the quarry for King Solomon when he built the First Temple. It was an important quarry because it was rich in white massif Melekeh limestone, which, because of its strength, its suitability for carving and its resistance to erosion, was used for all royal buildings. Melekeh comes from the Hebrew and Arabic roots for king or royal.

The legend that Solomon built his temple from this quarry — a claim for which there is no hard evidence — was made more plausible by the discovery in 1873 of an ancient bit of graffiti excavated by a French archaeologist, Charles Clermont-Ganneau. In a small niche now marked by a plaque, he uncovered a crude carving of a cherub, a popular biblical motif.

Because two giant cherubs flanked the Holy Ark in Solomon's Temple, and because cherubs were mentioned 75 times in the Old Testament, which was completed during the First Temple period, the cherub graffiti could be evidence that the quarry dates from the time of Solomon as well. So argued Yitzhak Yaacov, director of the East Jerusalem Development Corp., which was responsible for carrying out restorations of the cave.

"Even if it is not so," Yaacov added, "even if it is from a later period, it's a nice story — some old stonecutter leaving his graffiti from the days of King Solomon."

**B**UT in this part of the world, one man's daydream is another man's conviction. For the Freemasons, the cave is definitely Solomon's quarry, making it perhaps the most revered site of their society. The organization considers Solomon the first Freemason, and its tradition of doctrines, passwords and symbols derives from the building of Solomon's Temple in Jerusalem. In the absence of the temple, Freemasons revere the quarry, and they hold an elaborate ceremony inside the cave once a year.

"You might say that this cave is our Mecca, Medina, Jerusalem and Wailing Wall all rolled into one," said Matti Shelon, the head of the Israeli Freemasons, who holds the title of First Grand Principal of the Supreme Grand Royal Arch Chapter for the State of Israel. "For Freemasons around the world this is the cradle of masonry."

But if you don't believe the Solomon connection, there are plenty of other legends to choose from. Perhaps the most popular is that of King Zedekiah. Rashi, the 11th-century biblical commentator, is responsible for this story. He wrote that in 587 B.C., Zedekiah tried to escape from the Chaldean troops sent by the Babylonian King Nebuchadnezzar to besiege Jerusalem. "There was a cave," said Rashi, "from the palace of Zedekiah to the plain of Jericho, and he fled through the cave."

Rashi added that God sent a buck running along the top of the cave as Zedekiah was down below.



Visitors in the former quarry.

The Chaldean soldiers chased the buck and arrived at the exit of the cave just as Zedekiah was coming out, enabling them to capture and blind him. Thus was born the legend of Zedekiah's Cave.

The Moslem writer and geographer el-Mukaddasi tells us that Arabic legend in the Middle Ages pointed to a completely different ancient story regarding the origins of the cave. Writing in the 10th century, el-Mukaddasi said: "There is at Jerusalem, outside the city, a huge cavern. According to what I have heard from learned men, and also have read in books, it leads into the place where lie the people slain by Moses. But there is no surety in this, for apparently it is but a stone quarry, with passages leading therefrom, along which one may go with torches."

The "people slain by Moses" refers to a story that appears in the Bible and the Koran about a man named Korah — Karun in Arabic — who mounted a revolt against Moses and Aaron, maintaining that they had led the children of Israel out of Egypt only to dominate them in the wilderness. According to the Old Testament, Korah and his fellow rebels were swallowed up by the earth.

Where? Well, according to el-Mukaddasi, the story making the rounds in Jerusalem late in the 10th

century pointed to that big hole underneath the Moslem quarter.

Traditions aside, what do we know for sure? Herod the Great certainly used it as the main quarry for building blocks needed to renovate the temple and its retaining walls, including what is known today as the Wailing Wall. "It may be thanks to Herod that the cave still exists today as a cave," remarked Yaacov.

Yaacov. "Herod was always worried about Rome ordering a halt to his building, so he needed a quarry that was very close to Jerusalem and usable in both summer and winter." He saw to it that his men left pillars standing from some of the rock to support a ceiling, Yaacov added. "That way the quarry would remain covered all year round and not just become a big hole in the ground open to the weather."

Suleiman the Magnificent, the Ottoman sultan who built the walls around the Old City that stand today, also apparently mined the quarry but was more famous for sealing it up around 1540 for fear that people would use it to penetrate his new walls.

It might have remained sealed forever if an American missionary, J.T. Barclay, had not been out walking his dog in Jerusalem one day in 1854. According to Barclay, his dog, apparently chasing the scent of a fox's den, was digging

furiously through dirt near the Old City wall when he suddenly popped through an opening and disappeared. After the dog reappeared, Barclay decided to investigate. Waiting until nightfall to avoid detection, Barclay and his two sons dressed in Arab garb and shivered through the crack, armed with matches, candles and a compass.

His description of the exploration in his journal, "City of the Great King," is a classic of understated 19th-century travel writing. Barclay said he and his sons suddenly came upon "a very deep and precipitous pit, in which we received the very salutary warning of caution from the dead — a human skeleton! supposed to be that of a person who, not being sufficiently supplied with lights, was precipitated headlong and broke his neck — or rather his skull I should judge from the fracture I noticed on picking it up."

Local legend has it that a group of yeshiva students exploring the cave in the late 19th century entered the cave arm-in-arm out of fear of what they might encounter and eventually left screaming after they heard the sound of falling water, which they may have mistaken for some noisy demon. That was apparently enough to keep most people away until the 1920s, save for some minor quarrying in 1907 to obtain the stones used to build

the Turkish clock tower over the Jaffa Gate.

But it was precisely the specter of demons, or, more exactly, the devil himself, that seemed to attract a German sect to the cave. In her book "Our Jerusalem," another American missionary, Bertha Stafford Vester, described how a stocky, dark German man, accompanied by his frail wife, a young couple with three children and three old women "looking more like witches than humans," showed up at her family's home in Jerusalem one morning in 1885.

The German man, she recalled, immediately announced that "he had been led by the spirit from Germany to Palestine, to Jerusalem and to this house to take possession. How soon could we vacate? he wanted to know."

Inside the cave the German sect was reported to be performing rituals with fire, among other things. The German consul dragged them all out after the women in the group fell ill from life in the damp, unsanitary quarry. The "mad leader," wrote Vester, was eventually sent back to Germany.

**M**ORE than spirits and temple stones were quarried from Zedekiah's Cave. In 1968, only a year after Israel had assumed control over all of Jerusalem, an Arab from East Jerusalem told the Israeli Ministry of Finance that his grandfather had buried three cases of gold in the cave during the Ottoman period. The man said he would show them where the treasure was buried in return for a 25 percent cut. The ministry agreed, and one morning a Treasury officer and two laborers went into the cave with their flashlights and shovels.

According to The Jerusalem Post, when a reporter from a Hebrew newspaper arrived on the scene late in the afternoon, he found a deep hole, exhausted workmen, some disappointed government officials and nothing even resembling gold.

Who knows? Maybe they were just digging in the wrong place. If you would like to try, the cave is open every day from 9 A.M. to 5 P.M., with admission 50 cents and 25 cents for children. Most visitors tour the cave on their own, but the site is also included on many organized tours of the Old City.

If you plan to look for gold, bring your own shovel and be sure to cut a deal with the Ministry of Finance first.

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## WEEKEND

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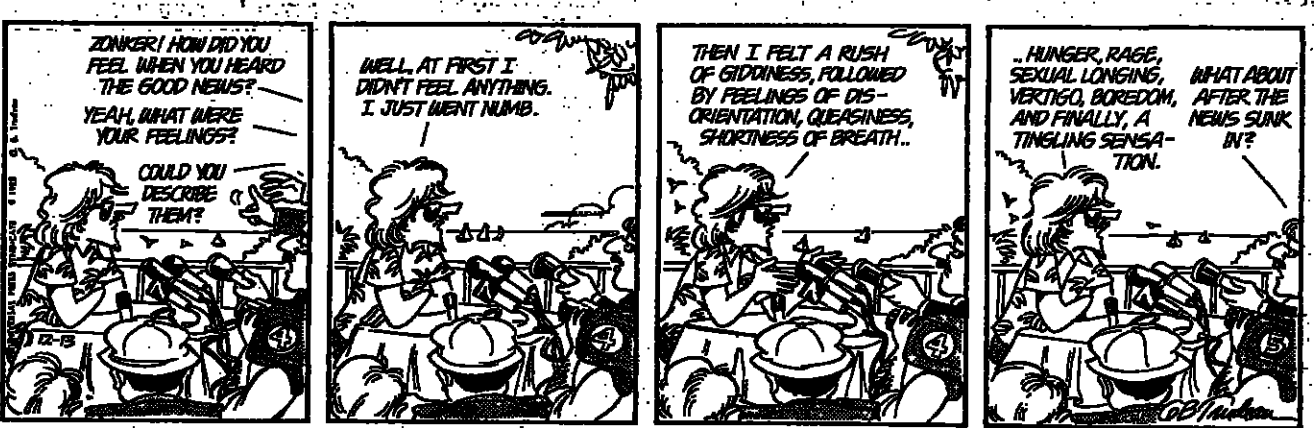
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## FOR FUN AND PROFIT

## A New Terminal to Ease Heathrow's Congestion

by Roger Collis

WELCOME to Heathrow, the world's most successful international airport. It is written bold across the terminal's 12th floor, the only road access to terminals 1, 2 and 3. Oh yeah, successful to whom? That tunnel can be a nightmare. Get an accident or a breakdown and you could be stuck at the airport for a long time. Add a dose of fog or ice, especially before a holiday, and the whole airport backs up into a quivering mass of humanity. Ask most travelers what they associate with Heathrow and the politest word is likely to be "congestion."

This is hardly surprising because the three terminals crowded in a fairly small area between the two runways, currently handle more than 30 million passengers a year (24 million on international flights), in excess of their nominal capacity. Heathrow claims to be the world's busiest international airport. This week's edition of the airport staff newspaper boasts that half a billion passengers have passed through Heathrow since it opened in 1946. "In its busiest-ever year, it has handled some 3.2 million passengers in a month, three-quarters of a million a week, more than 118,000 in a single day and nearly 10,500 in an hour." O. K., but what is there for the passenger to rejoice in?

Offering a greater range of destinations and frequencies than any other international airport in the world is a measure of success by anyone's standards, say nothing of profitability, says a senior executive of the British Airports Authority, a public body that operates the three major airports in southeast England (Heathrow, Gatwick and Stansted) and four in Scotland. BAA's annual report for 1984-85 showed a pre-tax profit of £361.6 million (about \$519 million) and taxes of £39 million. Heathrow alone made a profit of £59.5 million. Half the revenue comes from commercial activities such as rents from service companies and concessions and half from aircraft landing charges, which according to the BAA have decreased in real terms — on a passenger basis — by 25 percent since 1980-81.

The BAA invested £161 million in capital projects last year without cost to the taxpayer. Of more direct interest to the traveler is a choice of over 70 scheduled airlines (whole-plane charters are banned from Heathrow) serving more than 200 destinations with direct flights and hourly frequencies to major cities in Europe, which on peak days can mean more than a thousand aircraft movements. "And we've learned how to deal with congested airports in an area half the size of Charles de Gaulle," says a BAA official. A measure of this is a reduction in the number of passenger complaints since a peak in the late 1970s, he claims.

But the news that should cheer all but the most relentless Heathrow-phobes is that a new Terminal 4 is due to open next spring (the target date is April 12). It is on the southeast side of the airport, separate from the central terminal area, with its own access roads, parking lots and subway station. It cost £200 million and has the capacity to move 2,000 passengers an hour in each direction — a total of eight million a year.

What is important is that it will relieve congestion at the existing terminals; British Airways is moving all its transatlantic flights from Terminal 3 and its Pan Am and American flights from Terminal 1. KLM, NLM City Hopper and Air Malta will move from Terminal 2. BA will occupy 64 of the 72 check-in desks in Terminal 4, but KLM has a choice spot facing passengers as they go in. Terminal 2, currently used by eight million passengers a year on 29 European airlines, will have a £700,000 facelift, while Terminal 3 will get a £68-million renovation.

It is no coincidence that Schiphol, which scores best in all the traveler opinion polls, is a congestion-free, custom-built airport (unlike Heathrow, which has grown piecemeal). Schiphol currently handles 11 million passengers a year with a capacity of 18 million. The Dutch have a plan to increase this to 25-30 million over the next 10 years. Like Heathrow, Schiphol is an excellent transit hub (65 airlines serving 170 destinations) as is another popular airport, Singapore's Changi (40 airlines serving 75 destinations, but nudging its capacity of 10 million).

To be fair to Heathrow, one should compare Schiphol and Changi with separate terminals, like Terminal 1 which handles about 10.7 million passengers, rather than the airport complex as a whole. And Terminal 4, which can be considered an airport within an airport, should be able to stand comparison. It has all the features, quick and easy check-in, quick baggage reclaim, rapid customs clearance, ease of changing planes and short walking distances, that score high in opinion polls. And for the first 12 months of its life, it should be under capacity by a whisker.

According to Eric Lomas, general manager of Terminal 4, its main attractions are its spaciousness (there is a single departure lounge — 650 by 25 meters, or 2,130 by 82 feet), speed (curb-side check-in, an open-plan plan, which means no gate rooms — you board the plane directly from the lounge along one of two moving walkways) and taken through the system, from curb-side to plane). One of the main differences between Terminal 4 and the other terminals, or indeed most airports, is the segregation of arriving and departing passengers on different floor levels. "That's the key to security," Lomas says. "It should also speed passenger flows. Transfer to other terminals is about five minutes by bus with a 60-minute connecting time for international and 75 minutes for domestic flights, which compares with 40-to-50-minute average at Schiphol. The catering concession for Terminal 4 has been given to Marriott (Trust House Forte has it for the rest of the airport), and the emphasis will be on fast food. But Lomas is hoping that "the U.S. approach to service will now be reflected in T4."

The BAA has plans to expand capacity at all three airports in the London area. Gatwick, which currently handles 16 million passengers (it is the world's fourth busiest international airport after Heathrow, JFK and Frankfurt), will open a new terminal in 1987, increasing its capacity by nine million to 25 million. Stansted, a small airport in the north of London, which became the city's third official airport in June 1985, plans a two-phase expansion, and a fifth terminal is being mooted for Heathrow. A total capacity of nearly 90 million passengers is being forecast by the year 2000.

The government has plans to privatize the BAA by selling shares to the public on the basis of a market value of £500 million. This will happen sometime next winter, according to a BAA official. No other major airports in Europe or North America, he says, are privately owned.

However successful Terminal 4 turns out to be, at least you won't have to drive through that tunnel. Welcome to Heathrow.

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## Taking In Tokyo's Festive Season

by Clyde Haberman

TOKYO — Improbable though it may seem, Tokyo is a place to capture the Christmas spirit: that is, if Christmas for you means eye-opening store displays, high-tech gimmicks, ever-present recorded carols and enough time to envelop a hundred Hollywoods. While streets may be vibrant, it must be said that no spirituality is to be found. That will come at New Year's, a religious holiday and a time when most Japanese visit Shinto shrines.

Because of the approaching New Year, the next few weeks will be rich with festivals. One of the brightest, but unfortunately also among the more mobbed, is the Hagiochi Ichi fair, held from Dec. 17 to 19 near the Sensōji Temple in Asakusa.

Many visitors like to join Japanese worshippers at shrines during the first few days of the New Year. An exciting time to go is at the stroke of midnight on New Year's Eve. The Hie Shrine in Asakusa is both central and colorful, and might be more majestic than the majestic but thronged Meiji Shrine.

On Jan. 2, Emperor Hirohito makes several public appearances on the Imperial Palace grounds to wish his subjects a good New Year. You might also want to watch the annual Kikkōme at the Budokan, the martial-arts hall near the palace, on Jan. 5. Starting at 8 A.M., adults and children demonstrate their calligraphy skills.

Five bulls should enjoy the Densetsu-shiki at the Sensōji Temple on Jan. 6. This is an impressive acrobatic display by men in fire-brigade costumes from feudal days, when Tokyo was known as Edo. Another event, at noon on Jan. 15, is a free demonstration of traditional martial arts at the Budokan.

The city of Tokyo is not its architecture, but its people. It is hucksterism unbridled at the Akihabara electronics bazaar, freneticism in the early morning at the Tsukiji fish market, exuberance among the thousands of youngsters crowding Shibuya at night, trendiness almost to a fault in adjoining Harajuku, pensiveness among strollers in the Shinjuku Gyoen Garden, raffishness to the edge of sleaze in Kabukicho.

Here are a few suggestions among countless possible walks.

Take the Yamanote Line girdling the central city above ground, and get off at the Nippori station. Walk through the Yamanote cemetery under a canopy of cherry trees; and explore the rest of this temple-strewn area. Go to the end of the Sumida River to the Ryōgoku stop on the Sobu Line. The new Kokugikan, or sumo arena, is nearby, and so are a number of "stables" that train the huge traditional Japanese wrestlers. With the winter tournament scheduled to begin Jan. 12, this is a good time of year to see many wrestlers on Kyōgoku's streets.

A dollar fetches only about 200 yen these

days, and the consequences are felt immediately on arrival at Narita airport, 45 miles from central Tokyo. A cab ride into town that cost a "mere" \$80 to \$85 a few months ago, comes to more than \$100 now.

Tickets for the "limousine" bus to the city's central air terminal are the equivalent of \$12.50. The Skyliner train on the Keisei-Ueno line, which connects to the airport via a shuttle bus, costs \$7.50, but its terminus is the not-entrally located Ueno Station.

In town, subways are often the fastest way to move about; fares on most lines start at 60 cents, and children ride for half-price. Most travelers will find bus routes too confusing. Taxis are abundant, except late at night, when they are on the prowl for long-distance commuters and tend to zip past foreigners.

Many visitors like to catch at least a glimpse of Kabuki and No theater. In addition, Bunraku puppet theater, which is not always available, will be staged to Dec. 22 at the National Theater, with ticket prices from \$14.50 to \$17.

At Kabukiza, the main Kabuki theater in eastern Ginza, plays will be at 11 A.M. and 4:30 P.M. throughout the month. Tickets run from \$6 to \$55, and earphones with English commentary are available.

No and its comedy equivalent, Kyogen, will be performed at the National No Theater in Sendagaya on Dec. 14, 20 and 22 and on Jan. 4, 8, and 17. Ticket prices range from \$9 to \$22.50. Starting times vary.

Tokyo has countless shops where the traditional crafts and arts are honored. Bingoya (208-1649) in Wakamatsubo near Shinjuku specializes in reasonably priced mingei folk art, such as pottery, fabric, bamboo work and lacquerware. For chiyogami, colorful craft paper, Isatsuki (823-1453) in venerable Yamanaka is an attractive shop. Boxwood combs are another Edo-era tradition; and at Jusanya (831-3238), in Ueno, Tsutomu Takeuchi represents the 14th generation of his family to run the store.

The sleek, contemporary Kiso (582-4191) on the basement level of the Axis Building in Roppongi has lacquerware and ceramics, but they are not necessarily inexpensive. More ambitious buyers of antique paintings, tansu chests, screens and ceramics can choose from many good places where English is spoken.

IN Tokyo, which is known for its high prices, one can spend \$150 on a meal without even trying. One can also spend \$3 or less at a new place, most people look for something in between, and there is no shortage of good choices.

Chicken sukiyaki — as opposed to more familiar beef sukiyaki — is available at Botan (251-0577) in Kanda, an area with book-stalls and old-print shops. Diners do the cooking themselves on an hibachi, and the bill comes to \$20-\$30 a person.



Sumo wrestlers at work.

Eichiro Kikuchi, Magnum

Yotaro (584-7686) in Asakusa has a clean contemporary look and serves tempura, with a specialty of tai, or sea bream. Prices are a bit high at \$35 a person. Also in Asakusa, near the TBS Building, Toritsu (585-8894) is a good spot for chicken yakitori and other grilled food. Prices vary, but one can eat well for as little as \$15. Much farther north, in somewhat out-of-the-way Konagome, Goe-mon (811-2015) serves dishes made of tofu. The food is worth the trip, and so are the traditional Japanese dining rooms in a garden setting. About \$25 for one.

Mon (591-1076) is an excellent, homey restaurant on a narrow alleyway in Nishi Shinjuku. It offers, also for about \$25 a person, grilled fish, sashimi and other dishes. Most restaurants take last orders by 9 P.M. and, in some cases, as early as 8 P.M. It helps to ask directions; in Tokyo street addresses in the Western sense do not exist.

A hotel revival is under way in Tokyo's old neighborhoods along the Sumida River, including Asakusa. Tokyo's center many decades ago. One indicator is the recent opening of the Asakusa View Hotel (842-2111). Its prices, however, are not low at \$100 for Western-style double rooms, and \$150 and up for Japanese-style rooms.

The National Tourist Organization can help place adventurous travelers looking for a Japanese inn. Prices can be steep, but one possibility for the budget-conscious is Suisetsu (822-4611) near the Ueno Zoo, where a room for two costs \$45, without meals.

No one even noddingly familiar with Tokyo needs a reminder that the top-of-the-line hotels remain the Okura (582-0111) in Toranomon and the Imperial (504-1111) in Hibiya. Doubles run about \$150 at each place. We leave it to others to argue which is better; at both, hardships are few.

Among the most helpful of new guide books are "Tokyo City Guide" (Ryuko Tanshin Co.) by Judith Connor and Mayumi Yoshida; "Discover Shitamachi" (The Shitamachi Times) by Sumiko Enbutsu; "Tokyo Now and Then" (John Weatherhill Inc.) by Paul Waley; "More Footloose in Tokyo" (Weatherhill) by Jean Pearce and "Tokyo Access" (Random House) edited by Richard Saul Wurman.

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## Smoothing the Way to a Soviet Tour

by Errol G. Rampersad

MOSCOW — Contrary to the suggestion in a noted Western guidebook, one can have fun in the Soviet Union, and even more when the trip begins with a relaxing cruise up the Stockholm archipelago through the Baltic to Leningrad.

For most Westerners, getting to the Soviet Union can be a frustrating exercise, involving endless hassles over visas, transportation and accommodation. Individual visa applications are rarely accepted; hotels must be arranged through tourist, the state tourism office, and tickets can be issued only with proof of a visa.

A good way to get around this is to begin your trip with Soviet transport, which in turn serves as your Soviet hotel, thus satisfying the requirements for a fast visa.

The ScanSov line, a Soviet organization operating out of Stockholm, offers several package tours to the Soviet Union, including weekly sailings to Leningrad, on the MS Ilych. Since the ship is a cruise ship, it is not subject to the strict visa requirements of the Stockholm trip.

Our trip began at the Virshamnen terminal in Stockholm. A simple piece of paper, amounting to a boarding pass, was given to each passenger. This was the receipt for the visa, which is not stamped in the passport and is handed to you upon departure in Leningrad. It also serves as an exit visa and must be surrendered on departure.

We drifted out of Virshamnen at about 2 P.M. on a warm August day. The prolonged Nordic daylight followed late into the evening as we cruised up the Stockholm archipelago and into the Baltic.

The setting sun — not to mention the prospects of affordable caviar and vodka,

Russian style — heightened anticipation for dinner. The menu, offering a wide choice of regional specialties, including borscht and blini, lived up to expectation.

The show that followed dinner was a triumph of versatility. Crew members, from waiters and bartenders to operators and technicians, performed folk songs and regional dances to the accompaniment of Russian balalaikas and rhythmic handclapping.

Next morning, the approach to Leningrad was the main event. It is a key gateway to the Soviet Union, so military controls around the port were not surprising. At the passenger terminal, the transition from ship to shore was marked by the usual procedures, with a signed declaration of all jewelry, camera equipment and foreign currency.

After the formalities, we crossed the former's threshold and walked into the former capital of St. Petersburg, with its romantic canals and shaded streets. After a 30-minute stroll taking in some of the side streets, we hopped onto a bus. Fellow passengers explained that fares are based on an honor system; you drop five kopeks into a little machine and roll out a ticket.

We returned to our floating hotel and prepared for an evening that included dinner in town, followed by a dance show. Since restaurants, not only in Leningrad but throughout the Soviet, are best booked well in advance, sticking with the group for meals and shows has its advantages.

The second day, after breakfast on board, a bus tour of the city takes in the university quarter, the banks of the Neva, the Peter-Paul Fortress, the Winter Palace and other sights. Then a long pre-lunch visit to the Hermitage, one of the world's great art repositories.

Visiting Soviet museums individually is difficult. They seem to cater exclusively to groups, and the advantage of being with a

foreign group is that it affords immediate entry.

After lunch, a free-for-all stroll through the city center and a chance to see — and be seen by — the Russians. Encounters, by no means chance ones, soon reveal how eager the people are to meet Westerners.

At about 5 P.M., we returned to the Ilych for a brief rest and dinner, before checking out for the overnight train ride to Moscow at 11:30 P.M. Between checking out, at about 8 P.M., and boarding the train, there is a performance of ballet or folk dance. In season, this could mean seeing the Kirov Ballet in its own theater.

On the train, the Soviet "soft" class, which comes with the package, consists of two-berth compartments, with toilet and washroom facilities at both ends of the car. Each car also is equipped with a guard — and a samovar, from which we were served hot tea as the evening got cooler.

THE punctual Intourist guide on the Moscow platform promptly took over from her Leningrad colleague. A quick check-in at the hotel got our tour off to an early start. First, Red Square and the Lenin Mausoleum, St. Basil's Cathedral and the Kremlin. Over the next few days, we took in the Pushkin Museum and other sights.

Aside from the need for grouping to get into museums and the Kremlin, one is free to take in Moscow as in any other major capital. Take to the buses or subway, get a look at Soviet consumerism at the GUM department store (rubles only) and the Beriozka store at the Rossya hotel (foreign currency and credit cards). The Beriozka shops offer the best buys in local arts and handicrafts as well as in Western duty-free goods.

Hailing a cab on a Moscow street is a bit or miss exercise. All the more reason to

discover one of the world's best designed subway systems, with stations that are veritable works of art. The system consists of a ring line that girds the center of Moscow, connecting with eight subsidiary lines that stretch out to the suburbs. Some of the stations along the ring line represent the winning entry by teams of artists and architects. Passports are retained for the duration of the stay when registering at hotels. Guests, not their guides, must personally retrieve them before leaving for the trip back to Leningrad and the boat. Failure to do so could involve lengthy consular intervention or missing the boat.

Stockholm is well connected with other European capitals, by air and by train. For trans-Atlantic visitors to most European cities, the extra leg to Stockholm is far less expensive if it is in your overall ticket.

The frequent ScanSov sailings are ideal for travelers who want to vary the length of their stay in the Soviet Union. Inland tours, pegged to the Leningrad sailings, can also be arranged to take in points beyond Moscow.

The Leningrad tour takes four or five days and costs from \$250 to \$360 a person; the Leningrad-Moscow combination takes seven days and costs from \$400 to \$440, train, meals, hotels, tours and entries included.

ScanSov offices are in Stockholm, at Norrlandsgatan 12 (tel. 24-22-40). Outside the Nordic area, tours may be booked directly or through agencies specializing in Scandinavian travel. Book at least two weeks in advance to allow for visa processing. Sailings are once a week from Oct. 15 to May 1 and twice a week during the summer months. A New Year's cruise leaves Dec. 28 and returns to Stockholm Jan. 2.

The Ilych has a pool and sauna and conference facilities for business. All major credit cards are accepted on board.

## INTERNATIONAL DATEBOOK

## AUSTRIA

VENNA, Konzerthaus (tel. 72.12.11). CONCERTS — Dec. 14: ORF Symphony Orchestra, Heinrich Hollnreiter conductor. Gabriela Sima soprano (Azzurri).

Dec. 17: Haydn Trio, Wolfgang Schulz (Haydn, Mozart).

Dec. 20: Vienna Symphony Orchestra, Kurt Sion conductor, Gottfried Horky baritone (Handel, Stravinsky). Musikverein (tel. 63.81.90).

CONCERTS — Dec. 15: Vienna Symphony Orchestra, Martin Sieghart conductor (Beethoven).

Dec. 16 and 18: Bach Trio (Bach).

Dec. 19: Clemens Consort, René Lemencic conductor (Torelli, Vivaldi).

Dec. 20: Vienna Symphony Orchestra, Kurt Sion conductor (Corelli, Stravinsky).

Dec. 21: "Ariadne auf Naxos" (R. Strauss).

Dec. 18: "The Barber of Seville" (Rossini).

Dec. 20: "Die Zauberflöte" (Mozart).

## BELGIUM

BRUSSELS, Palais des Beaux Arts (tel. 512.50.45).

EXHIBITION — To Dec. 22: "Spenders and Belgians Villages, 10-1700."

## ENGLAND

Musées Royaux des Beaux-Arts de Belgique (tel. 513.55.46).

EXHIBITION — To Dec. 22: "Los Iberos."

Musées Royaux d'Art et d'Histoire (tel. 733.96.10).

EXHIBITION — To Dec. 22: "Los Iberos."

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## FRANCE

PARIS, Centre Georges Pompidou (tel. 42.77.12.53).

EXHIBITIONS — To Dec. 16: "Mata."

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## GERMANY

BERLIN, Deutsche Oper (tel. 341.44.49).

EXHIBITION — To Dec. 16: "Mata."

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## ITALY

MILAN, Teatro alla Scala (tel. 887.92.11).

EXHIBITION — To Dec. 16: "Mata."

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EXHIBITION — To Dec. 1



Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

12 Month		Stock	Chg.	Vol.	P/E	12 Month		Stock	Chg.	Vol.	P/E
42	39	Wells Fargo	1.40	23	12	59	47	Wells Fargo	1.40	23	12
41	38	Western Union	1.30	23	12	58	46	Western Union	1.30	23	12
40	37	Wheat	1.20	22	11	57	45	Wheat	1.20	22	11
39	36	Wheat	1.10	21	10	56	44	Wheat	1.10	21	10
38	35	Wheat	1.00	20	9	55	43	Wheat	1.00	20	9
37	34	Wheat	.90	19	8	54	42	Wheat	.90	19	8
36	33	Wheat	.80	18	7	53	41	Wheat	.80	18	7
35	32	Wheat	.70	17	6	52	40	Wheat	.70	17	6
34	31	Wheat	.60	16	5	51	39	Wheat	.60	16	5
33	30	Wheat	.50	15	4	50	38	Wheat	.50	15	4
32	29	Wheat	.40	14	3	49	37	Wheat	.40	14	3
31	28	Wheat	.30	13	2	48	36	Wheat	.30	13	2
30	27	Wheat	.20	12	1	47	35	Wheat	.20	12	1
29	26	Wheat	.10	11	.5	46	34	Wheat	.10	11	.5
28	25	Wheat	.00	10	.2	45	33	Wheat	.00	10	.2
27	24	Wheat	-.10	9	.1	44	32	Wheat	-.10	9	.1
26	23	Wheat	-.20	8	.0	43	31	Wheat	-.20	8	.0
25	22	Wheat	-.30	7	.0	42	30	Wheat	-.30	7	.0
24	21	Wheat	-.40	6	.0	41	29	Wheat	-.40	6	.0
23	20	Wheat	-.50	5	.0	40	28	Wheat	-.50	5	.0
22	19	Wheat	-.60	4	.0	39	27	Wheat	-.60	4	.0
21	18	Wheat	-.70	3	.0	38	26	Wheat	-.70	3	.0
20	17	Wheat	-.80	2	.0	37	25	Wheat	-.80	2	.0
19	16	Wheat	-.90	1	.0	36	24	Wheat	-.90	1	.0
18	15	Wheat	-1.00	.5	.0	35	23	Wheat	-1.00	.5	.0
17	14	Wheat	-1.10	.2	.0	34	22	Wheat	-1.10	.2	.0
16	13	Wheat	-1.20	.1	.0	33	21	Wheat	-1.20	.1	.0
15	12	Wheat	-1.30	.0	.0	32	20	Wheat	-1.30	.0	.0
14	11	Wheat	-1.40	.0	.0	31	19	Wheat	-1.40	.0	.0
13	10	Wheat	-1.50	.0	.0	30	18	Wheat	-1.50	.0	.0
12	9	Wheat	-1.60	.0	.0	29	17	Wheat	-1.60	.0	.0
11	8	Wheat	-1.70	.0	.0	28	16	Wheat	-1.70	.0	.0
10	7	Wheat	-1.80	.0	.0	27	15	Wheat	-1.80	.0	.0
9	6	Wheat	-1.90	.0	.0	26	14	Wheat	-1.90	.0	.0
8	5	Wheat	-2.00	.0	.0	25	13	Wheat	-2.00	.0	.0
7	4	Wheat	-2.10	.0	.0	24	12	Wheat	-2.10	.0	.0
6	3	Wheat	-2.20	.0	.0	23	11	Wheat	-2.20	.0	.0
5	2	Wheat	-2.30	.0	.0	22	10	Wheat	-2.30	.0	.0
4	1	Wheat	-2.40	.0	.0	21	9	Wheat	-2.40	.0	.0
40 1/2	38 1/2	Xerox	1.00	20	35 1/2	59 1/2	47 1/2	Xerox	1.00	20	35 1/2
40 1/4	38 1/4	XTM	.84	21	24 1/2	59 1/4	47 1/4	XTM	.84	21	24 1/2
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39 1/2	37 1/2	ZaleCo	1.27	44	13	49	37	ZaleCo	1.27	44	13
39 1/4	37 1/4	Zenith	1.44	14	33	50	38	Zenith	1.44	14	33
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*Via The Associated Press*

Dec. 12

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100	17.00	Diamond Int	Q	000000	27
100	17.50	Domestic Products	Q	000000	27
100	18.00	East Growth Inv	Q	000000	1-14
100	18.50	East Growth Inv	Q	000000	1-14
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100	125.00	East Growth Inv	Q	000000	1-14
100	125.50	East Growth Inv	Q	000000	1-14
100	126.00	East Growth Inv	Q	000	

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**EC Imposes Duty on Imports Of Ethylene Glycol From Sandis**

*Agence France-Press*

**BRUSSELS** — The European Community imposed on Thursday a 13.5-percent tariff for the rest of the year on Saudi Arabian ethylene glycol, a petrochemical used in antifreeze and other products.

Petrochemicals from the Gulf countries normally enter the EC free of duty up to a certain amount per year. But the EC imposes duty when imports go above the amount.

## Cash Flows

Dec. 12		Dec. 12	
Commodity and Unit		TRN	YAS
Coffee 4 Santos, lb.		6.25	6.25
Printhead 64 200 36 1/2 yd.		6.75	6.75
Iron 200 36 1/2 yd.		6.75	6.75
Steel 200 36 1/2 yd.		6.75	6.75
Copper 200 36 1/2 yd.		6.75	6.75
Zinc 200 36 1/2 yd.		6.75	6.75
Aluminum 200 36 1/2 yd.		6.75	6.75
Sulfur 200 36 1/2 yd.		6.75	6.75
Phosphorus 200 36 1/2 yd.		6.75	6.75
Silver N.Y. 100		80.187	136.141
Source: AP.		5.885	6.77

97 100.00

Company		Per Amt	Dec 12	Per Amt
		INCREASED		PERCENT
Previous Amt				
10	16.25			
11	17.00			
12	17.25			
13	17.50			
14	17.75			
15	18.00			
16	18.25			
17	18.50			
18	18.75			
19	19.00			
20	19.25			
21	19.50			
22	19.75			
23	20.00			
24	20.25			
25	20.50			
26	20.75			
27	21.00			
28	21.25			
29	21.50			
30	21.75			
31	22.00			
32	22.25			
33	22.50			
34	22.75			
35	23.00			
36	23.25			
37	23.50			
38	23.75			
39	24.00			
40	24.25			
41	24.50			
42	24.75			
43	25.00			
44	25.25			
45	25.50			
46	25.75			
47	26.00			
48	26.25			
49	26.50			
50	26.75			
51	27.00			
52	27.25			
53	27.50			
54	27.75			
55	28.00			
56	28.25			
57	28.50			
58	28.75			
59	29.00			
60	29.25			
61	29.50			
62	29.75			
63	30.00			
64	30.25			
65	30.50			
66	30.75			
67	31.00			
68	31.25			
69	31.50			
70	31.75			
71	32.00			
72	32.25			
73	32.50			
74	32.75			
75	33.00			
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194	62.75			
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260	79.25			
261	79.50			
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271	82.00			
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317	93.50			
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326	95.75			
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355	103.00			
356	103.25			
357	103.50			
358	103.75			
359	104.00			
360	104.25			
361	104.50			
362	104.75			
363	105.00			
364	105.25			
365	105.50			
366	105.75			
367	106.00			
368	106.25			
369	106.50			
370	106.75			
371	107.00			
372	107.25			
373				

NICOR Inc	27	1-10
Nortek Inc	76	2-1

[illegible]

1. *Journal of Management Studies*, 1997, 34, 1, 1-14.

## Commodities

COCOA BEANS						COCOA					
	High	Low	Close	Ask	Chgs		High	Low	Close	Ask	Chgs
<b>SUGAR</b>						<b>SUGAR</b>					
French beans per metric ton						French beans per metric ton					
Mar	1,280	1,260	1,260	1,280	-10	Mar	161.20	159.70	159.70	161.20	-0.10
Apr	1,280	1,260	1,260	1,280	-10	Apr	161.20	159.70	159.70	161.20	-0.10
May	1,280	1,260	1,260	1,280	-10	May	161.20	159.70	159.70	161.20	-0.10
Jun	1,280	1,260	1,260	1,280	-10	Jun	161.20	159.70	159.70	161.20	-0.10
Oct	1,280	1,260	1,260	1,280	-10	Oct	161.20	159.70	159.70	161.20	-0.10
Dec	1,280	1,260	1,260	1,280	-10	Dec	161.20	159.70	159.70	161.20	-0.10
Est. vol.: 1,600 lots of 50 tons						Est. vol.: 1,600 lots of 50 tons					
Open interest: 26,300						Open interest: 26,300					
<b>COCOA</b>						<b>COCOA</b>					
French beans per 100 kg						French beans per 100 kg					
Mar	1,270	1,250	1,250	1,270	+20	Mar	1,270	1,250	1,250	1,270	+20
Apr	1,270	1,250	1,250	1,270	+20	Apr	1,270	1,250	1,250	1,270	+20
May	1,270	1,250	1,250	1,270	+20	May	1,270	1,250	1,250	1,270	+20
Jun	1,270	1,250	1,250	1,270	+20	Jun	1,270	1,250	1,250	1,270	+20
Oct	1,270	1,250	1,250	1,270	+20	Oct	1,270	1,250	1,250	1,270	+20
Dec	1,270	1,250	1,250	1,270	+20	Dec	1,270	1,250	1,250	1,270	+20
Est. vol.: 2,400 lots of 50 tons						Est. vol.: 2,400 lots of 50 tons					
Open interest: 21,717						Open interest: 21,717					
<b>COFFEES</b>						<b>COFFEES</b>					
French beans per 100 kg						French beans per 100 kg					
Mar	2,250	2,230	2,230	2,250	-10	Mar	2,250	2,230	2,230	2,250	-10
Apr	2,250	2,230	2,230	2,250	-10	Apr	2,250	2,230	2,230	2,250	-10
May	2,250	2,230	2,230	2,250	-10	May	2,250	2,230	2,230	2,250	-10
Jun	2,250	2,230	2,230	2,250	-10	Jun	2,250	2,230	2,230	2,250	-10
Oct	2,250	2,230	2,230	2,250	-10	Oct	2,250	2,230	2,230	2,250	-10
Dec	2,250	2,230	2,230	2,250	-10	Dec	2,250	2,230	2,230	2,250	-10
Est. vol.: 1,600 lots of 50 tons						Est. vol.: 1,600 lots of 50 tons					
Open interest: 26,300						Open interest: 26,300					

## CONCLUSION

[illegible]

## Commodities

[illegible]

•

Dec. 13				CRUDE OIL (B.R.) U.S. dollars per barrel	
	Discount			Prev.	
	Offer	Bid	Yield	Yield	
3-month bill	7.94	7.92	7.27	7.29	Jan 24.68 25.00
6-month bill	7.92	7.90	7.29	7.42	Mar 24.60 24.94
1-year bill	7.85	7.83	7.45	7.54	May 22.40 22.60
					July 21.20 21.50
				Prev.	
	Bid	Offer	Yield	Yield	
30-yr. bond	103 2/32	103 4/32	9.56	9.53	

Source: Salomon Brothers.

Merrill Lynch Treasury Index: 134.65  
Change for the day: -0.71  
Average yield: 8.54 %  
Source: Merrill Lynch.

Volume: 17 billion  
Source: Reuters  
Change (passive): 0.01

**\$8  
Index**

## 102 lots of 100 tons:

[illegible]

65 1000 of 26 000

[illegible]

Mark-75.000 marks, cents per mark

Dec. 12			
Cocoa-Series		Price-Series	
Series	Value	Series	Value
1975	2.58	1975	7.76
1976	2.22	1976	7.76
1977	2.22	1977	7.76
1978	2.22	1978	7.76
1979	2.22	1979	7.76
1980	2.22	1980	7.76
1981	2.22	1981	7.76
1982	2.22	1982	7.76
1983	2.22	1983	7.76
1984	2.22	1984	7.76
1985	2.22	1985	7.76
1986	2.22	1986	7.76
1987	2.22	1987	7.76
1988	2.22	1988	7.76
1989	2.22	1989	7.76
1990	2.22	1990	7.76
1991	2.22	1991	7.76
1992	2.22	1992	7.76
1993	2.22	1993	7.76
1994	2.22	1994	7.76
1995	2.22	1995	7.76
1996	2.22	1996	7.76
1997	2.22	1997	7.76
1998	2.22	1998	7.76
1999	2.22	1999	7.76
2000	2.22	2000	7.76
2001	2.22	2001	7.76
2002	2.22	2002	7.76
2003	2.22	2003	7.76
2004	2.22	2004	7.76
2005	2.22	2005	7.76
2006	2.22	2006	7.76
2007	2.22	2007	7.76
2008	2.22	2008	7.76
2009	2.22	2009	7.76
2010	2.22	2010	7.76
2011	2.22	2011	7.76
2012	2.22	2012	7.76
2013	2.22	2013	7.76
2014	2.22	2014	7.76
2015	2.22	2015	7.76
2016	2.22	2016	7.76
2017	2.22	2017	7.76
2018	2.22	2018	7.76
2019	2.22	2019	7.76
2020	2.22	2020	7.76
2021	2.22	2021	7.76
2022	2.22	2022	7.76
2023	2.22	2023	7.76
2024	2.22	2024	7.76
2025	2.22	2025	7.76
2026	2.22	2026	7.76
2027	2.22	2027	7.76
2028	2.22	2028	7.76
2029	2.22	2029	7.76
2030	2.22	2030	7.76
2031	2.22	2031	7.76
2032	2.22	2032	7.76
2033	2.22	2033	7.76
2034	2.22	2034	7.76
2035	2.22	2035	7.76
2036	2.22	2036	7.76
2037	2.22	2037	7.76
2038	2.22	2038	7.76
2039	2.22	2039	7.76
2040	2.22	2040	7.76
2041	2.22	2041	7.76
2042	2.22	2042	7.76
2043	2.22	2043	7.76
2044	2.22	2044	7.76
2045	2.22	2045	7.76
2046	2.22	2046	7.76
2047	2.22	2047	7.76
2048	2.22	2048	7.76
2049	2.22	2049	7.76
2050	2.22	2050	7.76
2051	2.22	2051	7.76
2052	2.22	2052	7.76
2053	2.22	2053	7.76
2054	2.22	2054	7.76
2055	2.22	2055	7.76
2056	2.22	2056	7.76
2057	2.22	2057	7.76
2058	2.22	2058	7.76
2059	2.22	2059	7.76

		706	706	
-	-	706	706	-
2nd	-	706	706	

[illegible]

267.00	268.00	268.00	
275.99	276.00	276.00	

270.30	Wright (Wm E) Co	26	2-3	1-1
2870.00	Zapata Corp	.39	1-1	12-21
2985.00	Zayre Corp	.03	2-16	1-31
		.12	3-27	2-4

a-annual; m-monthly; q-quarterly; s-semi-annual  
 Source: UPI.

**THE INTERNATIONAL  
MANAGER**



كلمة من السيد

Stocks Index

NYSE	1,144.14	Down 1.14
AMEX	1,144.14	Down 1.14
NASDAQ	1,144.14	Down 1.14
NYSE	1,144.14	Down 1.14
AMEX	1,144.14	Down 1.14
NASDAQ	1,144.14	Down 1.14

WEDNESDAY, DECEMBER 13, 1985

# Technology

## The Hypersonic Airplane Speeding Toward Reality

By DAVID E. SANGER  
New York Times Service

NEW YORK — Tremendous progress in the design of a new class of jet engines known as scramjets is propelling the fantasy of a hypersonic plane toward reality. For years research on these jets, also known as super-combustion ramjets, has bubbled along in federal research laboratories on a shoestring budget.

Then three weeks ago President Ronald Reagan's science adviser and the chief of research and development for the U.S. Force disclosed that they were ready to commit half a billion dollars over three years to refine the engine technology, in hopes of developing a plane that could cross the United States in 12 minutes and circle the globe in 90 minutes.

The effort works, it could be the most significant change in aircraft design since the invention of the jet. Air force officials say scramjets may be as possible for a plane to fly off from an ordinary runway and quickly accelerate to Mach 5 or even Mach 25. With the aid of an on-board rocket booster, a plane could even propel itself into orbit, paving the way for a less expensive way of launching and retrieving satellites.

The uses are limitless. Major General Donald J. Kutyna said "Transport and reconnaissance are obvious uses. But prospect of an engine that works so efficiently and doesn't require the costs of launching a rocket or even the space shuttle is one that we'd be foolish to ignore."

Scramjet airplanes use conventional turbojets, which suck in air and dump it into a turbine-powered compressor. The compressed air is then mixed with fuel and ignited, sending a jet of hot gases back through the engine. The process is ideal for subsonic travel, but it has its limit at about Mach 3. The weight of the compressors, of a plane's heaviest components, slows the aircraft. More important, the temperature of combustion and aerodynamic drag rises so precipitously at high speeds that engines begin to

Officials foresee it as a less expensive way to launch and retrieve satellites.

CRAMJETs, however, require no compressors. Instead, air flowing through the engine at supersonic speeds compresses itself because of the "ram action" — familiar to anyone doing his hand out the window of a speeding car — of air from outside colliding against the engine. The self-compressed air then mixes with fuel and burns.

However, as researchers at the National Aeronautics and Space Administration have learned in a decade of research, it is that easy. "The air moves so fast that it becomes a problem," says Robert A. Jones, chief of the high-speed aerodynamics team at NASA's Langley Research Center in Hampton, Virginia. "You have to mix the air with the fuel and have it react in a few milliseconds. That's barely enough time for combustion."

The answer, NASA engineers say, is to fill the tanks with liquid hydrogen, which burns much faster than hydrocarbon fuels, at minus 423 degrees Fahrenheit, the hydrogen initially is the engine. But as it is fed into a fuel injector taking the heat of the aerodynamic heating from the ram action, the liquid hydrogen quickly heats to more than 1,500 degrees and turns into a gas.

What we are doing is turning the aerodynamic heating to our advantage, converting it into thrust," said Mr. Jones, whose laboratory has tested scramjets up to Mach 7 in wind-tunnel tests.

For the military, the embrace of scramjets marks something of a change of heart. After several years of frustrating research, the

# Currency Rates

Currency	Rate	Change
British pound	1.60	Down 0.01
West German mark	1.48	Down 0.01
French franc	6.55	Down 0.01
Italian lira	1,375	Down 10
Japanese yen	163	Down 1
Swiss franc	2.00	Down 0.01
Spanish peseta	166.67	Down 0.01
Portuguese escudo	200.48	Down 0.01
Belgian franc	36.36	Down 0.01
Dutch guilder	3.76	Down 0.01
Austrian schilling	13.76	Down 0.01
Scandinavian currencies	—	—

# Interest Rates

Instrument	Rate	Change
3-month T-bill	7.125%	Down 0.01%
6-month T-bill	7.125%	Down 0.01%
1-year T-bill	7.125%	Down 0.01%
2-year T-bill	7.125%	Down 0.01%
3-year T-bill	7.125%	Down 0.01%
5-year T-bill	7.125%	Down 0.01%

# Money Rates

Instrument	Rate	Change
3-month Eurodollar	7.125%	Down 0.01%
6-month Eurodollar	7.125%	Down 0.01%
1-year Eurodollar	7.125%	Down 0.01%

# Asian Dollar Deposits

Instrument	Rate	Change
3-month Singapore dollar	7.125%	Down 0.01%
6-month Singapore dollar	7.125%	Down 0.01%
1-year Singapore dollar	7.125%	Down 0.01%

# U.S. Money Market Funds

Fund	Assets	Yield
Mutual Shares	\$1.1 billion	7.125%
Investment	\$1.1 billion	7.125%

# Gold

Instrument	Price	Change
Gold futures	\$375.00	Down \$0.50
Gold bars	\$375.00	Down \$0.50

# Our Readers

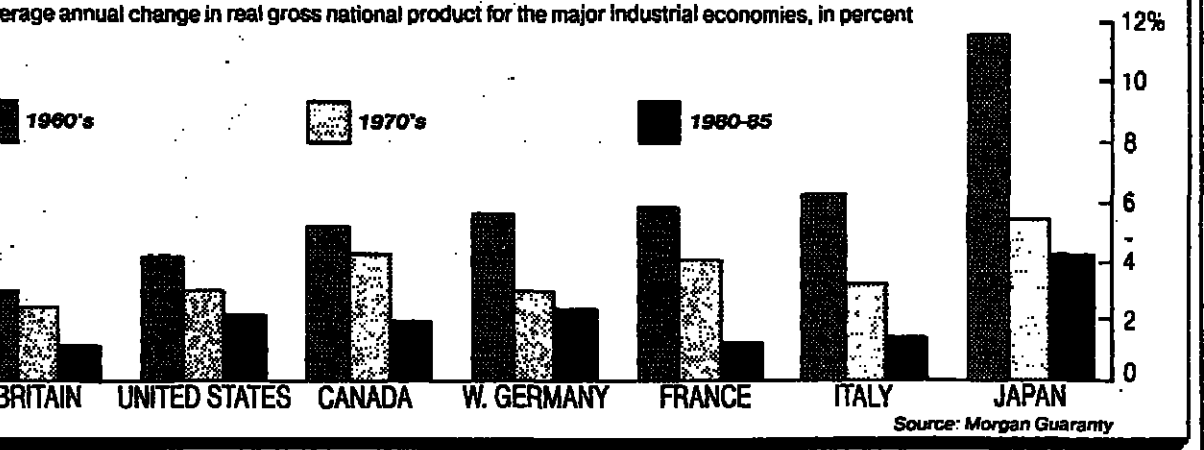
Our markets column is not available in this edition because of communications problems at Reuters.

# Herald Tribune

## BUSINESS/FINANCE

### The Potential for More Vigorous Economic Growth

Average annual change in real gross national product for the major industrial economies, in percent



### Overproduction Gives World a Glut Economy

By Winston Williams  
New York Times Service

NEW YORK — In London, an eerie silence hangs over the tin-trading ring at the Metal Exchange, trading has been halted because there are simply not enough buyers for the vast quantities of tin that producers in faraway Malaysia keep turning out. In the U.S. farm belt, more than a million bushels of this year's record corn crop went directly into storage, piling up on top of last year's surplus. In corporate America, such blue chips as General Motors, Warner-Lambert and Standard Oil of Ohio are reeling from lackluster demand for their products. They have been forced to cut prices, lay off thousands of workers and write off billions of dollars in redundant production capacity.

All over the globe, in developed and developing nations alike, producers in a broad spectrum of industries are turning out more than consumers can buy, creating a new world economy — a glut economy.

Overabundance has replaced the chronic shortages of raw materials, underutilized and mothballed factories and vast pools of idle labor. Prices are weak or falling, not ratcheting out of control in an inflationary spiral. And protectionism is gaining in popularity as a quick way to bar some of the outpouring of new goods.

"Every protectionist bill in Congress represents a glut," says Edward Yardeni, chief economist for Prudential Bache Securities. Even in the United States, whose economy has been growing faster than those of most other advanced countries, the glut is taking a heavy toll.

Edward Denison, a Brookings Institution

### Oil Prices Rebound, but Downturn Is Forecast

By Bob Hagerty  
International Herald Tribune

LONDON — Oil prices snapped back Thursday from six-year lows hit early Wednesday, but many traders and analysts say a persisting glut probably will keep the trend downward.

The market still is struggling to assess a vague pledge by the Organization of Petroleum Exporting Countries last weekend to secure "a fair share" of the world market despite the risk of a price collapse if production rises further. That statement, which undermined the desperation of most OPEC members for higher revenue, triggered this week's plunge in prices.

Britain's Brent crude for January loading rose as high as about \$27 a barrel before slipping late Thursday to \$26.20, up from \$25.25 Wednesday evening and a six-year low of \$21.80 recorded early Wednesday. Brent, which rose briefly to more than \$30 three weeks ago, is widely traded and subject to wilder speculative swings than most other grades of crude oil.

Brent for March delivery was quoted at \$24.75, up from \$23.95 a day earlier.

On the New York Mercantile Exchange, West Texas Intermediate crude oil futures for January delivery settled at \$27.30 on Thursday, up 52 cents from Wednesday's settlement price of \$26.78, and a high of about \$31 three weeks earlier.

Peter Gignoux, a senior vice president responsible for energy-futures trading at the investment banking firm of Shearson Lehman Bros. in London, predicted that the price of Brent would be below \$25 once the market settled down. "It feels awful tippy up there," he said of Thursday's price levels.

Some OPEC ministers, meanwhile, sought to dispel the impression that the cartel had decided to flood the market. Sheikh Ali Khalifa al-Sabah, Kuwait's oil minister, was quoted by the OPEC news agency as saying that this week's frenzy was merely "exchanges among speculators" and not the beginning of a price war.

Many delegates to the end-of-the-year OPEC meeting in Geneva had misgivings about statements by some ministers, including Taha David-West of Nigeria, suggesting that OPEC was eager for an all-out fight for market share with non-OPEC producers, which account for about 65 percent of sales in the non-Communist countries. Iran and Algeria both argued for further restraint on OPEC production in an attempt to prop up prices, while others cautioned against sharply higher output.

But delegates conceded that OPEC members could not agree on how to share among themselves production of as little as 16 million barrels a day, the group's self-imposed ceiling. Current OPEC output is estimated at 17.5 million to 18 million barrels a day.

Big exporters outside OPEC have shown no sign of heeding OPEC's pleas for reducing output. David Gray, chief oil analyst at the London stockbrokerage of James Capel & Co., said he expected only token reductions from non-OPEC exporters to help support prices. But he predicted that falling prices eventually would frighten OPEC members into another effort at restraining their production.

Britain, a big exporter outside of OPEC, has reaffirmed its opposition to ordering cuts in North Sea production, even though Nigel Lawson, chancellor of the exchequer, acknowledged Thursday that lower oil revenue would diminish the scope for planned tax cuts.

While lower oil prices are inconvenient for Britain, they can threaten much greater suffering for OPEC's poorer members, such as Nigeria, Indonesia and Ecuador. Nigeria, for example, relies on oil for about 95 percent of export earnings and is struggling to service \$20 billion of foreign debt while feeding a rapidly growing population of about 100 million.

### Long Trade Battles Fuel Drive to Boost GATT

By Axel Krause  
International Herald Tribune

GENEVA — Identity cards of employees of the General Agreement on Tariffs and Trade here do not say GATT, but carry the name of the International Trade Organization, an agency that was to have been formed 35 years ago.

Today, some trade officials and consultants think that, amid renewed efforts to liberalize world trade, an organization resembling ITO and hence much stronger than GATT may some day emerge in Geneva.

GATT has turned out to be weaker in resolving major trade disputes than many trade officials had hoped. While the ITO was to have set broad rules over international trade, commodity prices and investments, and have strong sanctions power, GATT has been mostly a trade-monitoring operation.

As Clayton K. Yeutter, the U.S. trade representative, said at a news conference in Paris Wednesday about the so-called citrus-pasta war between the United States and the European Community:

The long citrus-pasta war "demonstrates all too clearly GATT's ineffectiveness in solving difficult cases."

Specific support for giving GATT substantial new powers has been expressed privately by government trade officials in Western Europe, Japan, Canada and Australia; the International Monetary Fund, and in a study on GATT reform published in March. In addition, members of the U.S. Congress and American academics have pushed for these new powers.

Some GATT officials expect an entirely new organization to grow out of GATT, an acronym referring to a 1947 trade treaty. GATT has operated as a small, trade-monitoring agency in Geneva on an "interim" basis ever since. "I think we are heading towards a revival of the ITO concept, not as it was, but in some form," a GATT official said.

Most officials said, however, that establishing such an agency would

### NEWS ANALYSIS

not mean a full-fledged revival of ITO.

Work on organizing ITO was started in Washington during World War II, but primarily because of strong opposition to provisions that would regulate trade, voiced in the U.S. Congress and by American business, the project was dropped in 1950.

The process toward a new kind of organization will be slow, controversial and closely linked to preparations for a new, seventh GATT round of trade-liberalization negotiations currently getting underway in Geneva, according to recent interviews with senior trade officials from industrialized and developing countries.

Those negotiations, which are expected to begin early in 1987, should be completed in three to five years, according to Mr. Yeutter, the U.S. trade representative. Other estimates range upwards to a decade.

Mr. Yeutter has expressed support for strengthening GATT's powers, but he has stopped short of outlining specific proposals. During a visit to West European capitals this week, he has repeatedly emphasized the need to start the trade negotiations under GATT auspices, focusing on such issues as liberalizing trade in agriculture, services, investment and intellectual property rights, such as copyrights and trademarks.

Specific reform proposals have come from several U.S. senators and congressmen, including Senator John C. Danforth, the Missouri Republican who is chairman of the Senate Trade subcommittee, trade consultants and academics in the United States.

"There are growing signs for support for institutional reform, which could lead back to the idea of a trade agency that would be more responsive... than what we have now," said C. Michael Aho, director of trade studies at the

## U.S. Retail Sales Increased 1.1% In November

The Associated Press

WASHINGTON — Retail sales in the United States rose 1.1 percent in November, rebounding from the sharp October decline, as both auto and department store sales advanced, the government reported Thursday.

The Commerce Department said retail sales totaled \$115.9 billion in November, an increase of \$1.3 billion from the revised October sales figure.

Sales had fallen a record 4.2 percent in October as purchases of new autos dropped 17.2 percent after two big months of gains generated by cut-rate financing.

A White House spokesman, Larry Speakes, said, "Nearly every category of the economy continues its strong performance. We look forward to second-half growth in the gross national product in the 5-percent range, and we expect 1986 GNP growth of 4 percent." GNP measures a country's total output of goods and services.

Mr. Speakes said the increase in retail sales "should portend a strong 1986 holiday sales season."

The new report said auto sales rose a slight 0.9 percent in November but the total sales figure of \$24.8 billion was far below the \$29.7 billion in cars sold during September.

Without autos, total retail sales rose 1.2 percent in November, the best gain since a 2-percent increase in April.

The non-auto category was led by a 1.3-percent increase in sales at department stores, a substantial improvement over the 0.3-percent gain in October.

The November gain was likely to give encouragement to analysts who think consumer spending will rise at least moderately post during the Christmas season.

However, some analysts are still worried that consumers will cut back on spending because of a record debt burden and a record low personal savings level. The behavior of the consumer sector is crucial since consumer spending accounts for two-thirds of the overall economy.

### Interest Rates In U.S. Continue Their Decline

Compiled by Our Staff From Dispatches

NEW YORK — U.S. interest rates continued to tumble Thursday.

Interest rates have been under downward pressure because of falling oil prices, the U.S. balanced-budget measure signed Thursday, and indications that the Federal Reserve may be easing its policy.

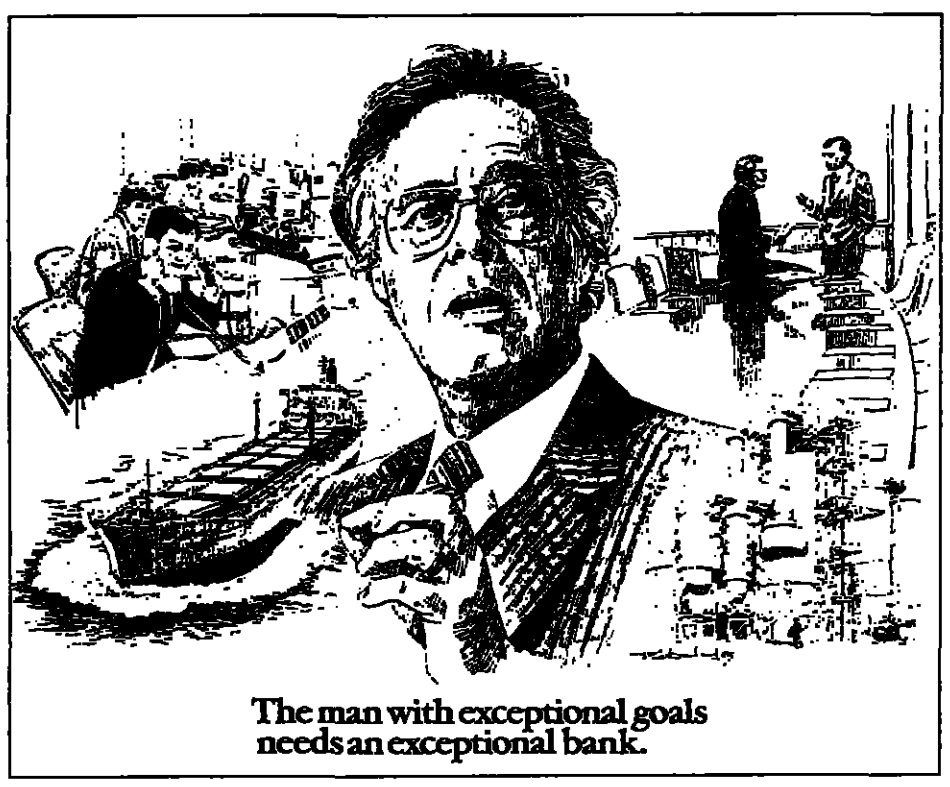
The Treasury Department sold \$7.6 billion in three-month bills at an average discount rate of 7.05 percent, down from 7.19 percent last week. Another \$7.6 billion was sold in six-month bills at an average discount rate of 7.02 percent, down from 7.26 percent.

The three-month rate was the lowest since 6.81 percent on Sept. 23, and the six-month rate was the lowest since 7 percent on July 8.

UMB Bank & Trust Co., the U.S. subsidiary of United Mizrahi Bank of Israel, said Thursday that it had cut its prime rate to 9.9 percent from 9.5 percent, effectively immediately. The prime is a benchmark used to determine rates for a bank's best corporate customers, many of whom pay below the prime rate.

For the second consecutive month, the Veterans Administration lowered its maximum mortgage interest rate by 1/8 percentage point, to 10 1/8 percent, the lowest rate in six years, effective Friday.

(AP, UPI)



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TDB, the 6th largest commercial bank in Switzerland, is a member of the American Express Company, which has assets of US\$69.3 billion and shareholders' equity of US\$4.9 billion.

## Trade Development Bank

An American Express company



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## BUSINESS ROUNDUP

## Toyota Chief Sees End To Auto Import Quotas

By James Risen

Los Angeles Times Service

LEXINGTON, Kentucky — Japan's voluntary import quotas on auto exports will be eliminated at March, allowing for wider competition in the U.S. car market for the first time since 1981, the chairman of Japan's largest automaker predicted here.

Eiji Toyoda, chairman of Toyota Motor Corp., said Wednesday that he expects the Japanese government to end its trade restrictions, which limit shipments of Japanese cars to the United States to 2.3 million units per year.

Mr. Toyoda was in Lexington to formally announce his company's plans to build its first U.S. assembly plant, an \$800-million facility to be located outside Georgetown, Kentucky, a small town of about 1,000 just outside Lexington.

Toyota announced Thursday that it will build a 400,000-Cadillac-dollar (about \$287 million) plant near Toronto, its first Canadian production facility. Reuters reported from Toronto: The plant would be capable of producing 1,000 cars a year of the 1,600-cubic-centimeter class, the auto-maker said.



Eiji Toyoda

Mr. Toyoda said in Lexington that Toyota is basing its production and marketing plans on the assumption that the restraints will not be extended for another year when they expire at the end of March 1986.

"Since we are proceeding under the assumption that this quota system will be abolished next year, we are not even thinking about numbers of cars that would be allowed under new quotas," Mr. Toyoda said in an interview. "It is not something that we are concerned about at this time."

The quotas on Japanese cars were begun by the Japanese government under pressure from Washington during the recession in 1981, and originally limited shipments of passenger cars to 1.8 million units annually. After the U.S. economy started to recover, the ceiling was raised to 1.85 million units in 1984.

Although the Reagan administration urged that the quotas be dropped this year, the Japanese government extended the restraint program while raising the ceiling to 2.3 million units.

Toyota officials said that the Kentucky plant will employ about 3,000 workers building 200,000 cars a year and will house the same kinds of manufacturing operations that are performed at the Fremont, California, plant of Toyota's joint venture with General Motors.

Mr. Toyoda said that the cars produced in Kentucky will include about 50 percent domestic content, including the value of the labor performed at the facility.

He said that engines and transmissions for the cars will be imported from Japan. He also said that Toyota has no plans to build further U.S. parts-manufacturing plants of its own.

Earlier estimates by government officials here that the plant would employ 2,000 workers and represent an investment of \$500 million were revised Wednesday when Toyota officially announced its decision to locate in Kentucky.

## British Telecom Profit Rose 29% in First Half

The Associated Press

LONDON — British Telecommunications PLC, the national telephone company, said Thursday that pretax profit rose 29.4 percent to £885 million (\$1.27 billion) for the six months ending Sept. 30.

Pretax profit was £684 million in the first half of 1984, which ended before the government sold half of British Telecom to private investors.

After-tax profits rose 19.2 percent to £522 million, or 8.2 percent per share, from £438 million, or 7.1 percent, the year before. The company said that sales expanded 0.3 percent to £4.05 billion from £3.68 billion a year earlier.

British Telecom declared an interim dividend of 3 pence a share, qualifying U.S. and Canadian resident holders of the company's interim American depositary receipts, or ADRs, are entitled to an interim dividend of 42.85 pence per ADR. Each ADR represents 10 British Telecom shares.

The earnings were slightly lower than London's financial community had expected, and British Telecom shares fell Thursday by 1 pence to close at 193 pence each on the London Stock Exchange.

Capital spending totaled £868 million during the six-month period, and British Telecom said it had a positive cash flow of £188 million.

The volume of domestic telephone calls rose by 7 percent and the volume of international calls rose by 13 percent, it said.

The company said the outlook for the second half was favorable and would reflect price increases introduced in November. The company said growth in business volume was "slightly less vigorous" in the second quarter than in the first.

The British government raised £3.91 billion in December 1984 by selling 50.2 percent of British Telecom to investors under Prime Minister Margaret Thatcher's program of denationalizing state companies. The government kept the remaining 49.8 percent.

The heavily oversubscribed sale was the largest stock issue in Britain's history. It attracted five times as much investment capital as the shares on offer could cover.

## COMPANY NOTES

Apricot Computers PLC said it would bring out software in January to enable its Xen computer line to run major software designed for International Business Machines Corp. models.

Barlow Rand Ltd. said it hopes to maintain earnings in the year ending next Sept. 30 at last year's level of 164.9 South African cents per share (61.6 cents at current rates), which were down from 170.2 cents the previous year.

Chrysler Corp. expects fourth-quarter earnings to fall below last year's record \$4.91 a share because of earlier strikes in the United States and Canada, the chairman of its Chrysler Motors unit said. The executive, Gerald Greenwald, said the company expects 1986 to bring a "tough, mean market."

Eastern Air Lines Inc. said it will seek deep cuts in wages, vacation time and sick leave from its pilots because of increased competition. The Miami-based airline proposed to cut pilots' wages by 20 percent to 40 percent, sick leave by 30 percent and vacation benefits by 20 percent.

Fluor Corp., Los Angeles-based international engineering firm, reported a loss of \$533.3 million for its fiscal year ended Oct. 31, largely as a result of \$400 million in asset write-downs. It earned \$1 million in 1984.

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Ford Motor Co. said it and Mando Machinery Corp. will establish a joint venture company in South Korea to produce aluminum radiators. Mando is South Korea's leading maker of automotive components. Value of the accord was not disclosed.

Gannett Co., the giant U.S. media concern, said it has withdrawn 11 suburban New York City newspapers from membership in the Audit Bureau of Circulation, an association that verifies circulation figures for 95 percent of all U.S. and Canadian newspapers.

James Hardie Industries said its net income in the first half ended Sept. 30 rose 20.3 percent from a year earlier, to 26.5 million Australian dollars (\$17.9 million) from 22.0 million a year earlier.

Klöckner Industrie-Anlagen GmbH said it has won an order to build a valve factory in East Germany. No value was disclosed.

Noranda Mines said it would close a zinc mine in Quebec because prices for the metal have dropped, making operations unprofitable. It said it also would shut an adjacent gold mine, which is running out.

Swire Properties Ltd. said it had acquired a site on Hong Kong Island for 199 million Hong Kong dollars (\$25.5 million) and would develop it at an additional cost of 100 million dollars.

Union Union GmbH, maker of aircraft engines, and Dornier GmbH, an aerospace company.

Daimler's bid to increase its stake in the electronics conglomerate AEG AG, to a majority interest from its 24.9-percent holding is being considered by the Federal Cartel Office. If approved, as expected, the takeover will make Daimler West Germany's largest company, with consolidated annual sales of more than 60 billion DM.

Mr. Breitschwerdt said MTU and Dornier accounted for about 2.5 billion DM to Daimler's 1985 consolidated sales figures.

Sales of Daimler cars in the domestic market were up 18 percent by volume in the first 10 months from a year earlier, with exports up 16 percent.

## Settlement Predicted in Texaco Case

Analysts Say Expensive Appeal Could Lead to Chapter 11

By Allen Van Cranebrook

Reuters

HOUSTON — Texaco Inc. is expected to reach a settlement with Pennzoil Co. in lieu of the \$10.53-billion judgment against it.

On Tuesday Judge Solomon Casab Jr., a Texas district judge, upheld a jury award, totaling \$11.12 billion, including interest since Jan. 6, which is thought to be the largest in the history of the civil justice system in the United States.

Lawyers and analysts say Texaco's only alternative to settling is an expensive, lengthy appeal process that could drive it into reorganization proceedings under Chapter 11 of the U.S. Bankruptcy Code.

The judgment "puts pressure on Texaco to remove this liability," a Houston lawyer said.

On the New York Stock Exchange Wednesday, Texaco share prices fell and Pennzoil gained. But on Thursday, Texaco rose 62.5 cents to \$28.875 and Pennzoil fell \$1.375 to \$65.875.

Sanford Margoshes, an oil industry analyst at Shearson Lehman Brothers, said he believed there was "a high probability of a mutually satisfactory out-of-court settlement."

"The last thing either company

wants is to see Texaco in Chapter 11," he added.

Sutton Keany, a partner in the New York law firm of Winthrop Simson Putnam & Roberts, said the judgment "set the stage for a settlement" by giving Pennzoil and its chairman, J. Hugh Liedtke, the satisfaction of seeing their claim supported by a court.

Although Texaco said it would file a motion for a new trial, one of its attorneys, David Boies, disclosed in court that the company had discussed a settlement with Pennzoil involving a transfer of assets.

The award gave Pennzoil all the actual damages it sought, \$7.53 billion, plus \$3 billion in punitive damages.

Fred Parks, a veteran oil lawyer in Houston, questions the amount of damages.

"Texaco should be permitted to

exercise all appellate procedures available to them, without the necessity of an appeal bond," he said.

But Mr. Keany said that higher courts seldom reverse such decisions.

"It's very tough to get an appellate judge who did not hear the evidence to second-guess a jury," he said.

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"Texaco should be permitted to

## Pilkington Posts Decline in Profit

Reuters

LONDON — Pilkington Brothers PLC reported Thursday that pretax profits for its first six months fell 24.5 percent to £39.4 million (\$55.6 million) from £52.2 million a year earlier.

Sales also fell, 4 percent, to £594.1 million from £618.9 million.

The glass and optical company said overseas operations continued to trade well in their own currencies but there was some uncertainty about the effect of exchange rates. Overseas results were translated into pounds at rates as of Sept. 28.

The decline in profits from overseas operations also reflected a drop in earnings from South Africa and Argentina, the company said.

## GAF Widens Carbide Bid To \$4 Billion

Compiled by Our Staff From Dispatches

NEW YORK — GAF Corp. said Thursday that it would launch an immediate \$68-a-share cash takeover offer for all the shares of Union Carbide Corp. that it does not already own and that it would no longer seek the approval of Carbide directors to complete the merger.

GAF, which already holds a 10-percent stake in Carbide, had earlier offered \$68 a share, or \$3.3 billion, for 70 percent of Carbide and had sought the approval of Carbide's board. The change in tactics announced Thursday means that AF must now raise nearly \$4.1 billion to finance the takeover.

Carbide has about 67.5 million shares outstanding. The big chemicals producers advised shareholders on Wednesday to take "no immediate action" on GAF's earlier offer.

GAF said it intends to finance a purchase of additional shares of Carbide in the merger with the proceeds of the sale of additional shares of GAF, or a subsidiary of AF.

Draxel Burnham Lambert, AEP's dealer manager, advised AF Thursday that it is highly unlikely it can place additional securities in an amount necessary to purchase any remaining Carbide shares for cash, the company said.

GAF, a New Jersey-based manufacturer of building products and specialty chemicals with sales of over \$750 million, disclosed on Wednesday that it plans to sell Union Carbide assets if its offer is rejected. The company said it would sell "substantially all" of Carbide's consumer-products segment, its metals and carbon-products segment, and a "substantial number" of Carbide's businesses in technology-services and specialty-products segment.

Carbide has raised a line of credit in excess of \$1 billion to defend itself against any hostile offer. As part of a massive restructuring program announced earlier this year, Carbide said it would buy back 10 million shares of common stock.

(Reuters, UPI)

## Daimler Expects Sales to Rise 18% in 1985

By Warren Getler

International Herald Tribune

FRANKFURT — Daimler-Benz AG's group sales should increase 18 percent this year to a record 51.5 billion Deutsche marks (\$20.2 billion), from 43.5 billion DM in 1984, the managing board chairman, Werner Breitschwerdt, said Thursday.

Mr. Breitschwerdt declined to provide a profit projection, saying only that the group expects higher net income.

But analysts are convinced that Daimler's profit will rise significantly this year from 1984's 1.1 billion DM and that the company will lift its dividend from last year's unchanged 10.50 DM.

Additionally, market observers expect Daimler to pay a bonus as part of the group's 100th-anniversary celebration next year of Mercedes' first car production. Daimler makes Mercedes automobiles and trucks.

Car production is expected to reach 541,000 vehicles this year, a 13-percent increase from 1984. The projected increase seems larger, Mr. Breitschwerdt said, because 1984 production was lower because of a seven-week metalworkers' strike.

Robert Beton, West German market analyst at London-based Phillips & Drew, said he expects a 31-percent jump in net profit to 80 DM per share from 61.2 DM in 1984.

The projected sales increase is considerably higher than last year's 8.6-percent rise, but the figure is distorted somewhat by the inclusion of sales at two newly acquired Daimler units, Motoren & Turbinen Union GmbH, maker of aircraft engines, and Dornier GmbH, an aerospace company.

Daimler's bid to increase its stake in the electronics conglomerate AEG AG, to a majority interest from its 24.9-percent holding is being considered by the Federal Cartel Office. If approved, as expected, the takeover will make Daimler West Germany's largest company, with consolidated annual sales of more than 60 billion DM.

Mr. Breitschwerdt said MTU and Dornier accounted for about 2.5 billion DM to Daimler's 1985 consolidated sales figures.

Sales of Daimler cars in the domestic market were up 18 percent by volume in the first 10 months from a year earlier, with exports up 16 percent.

## Long Trade Battles Fuel Drive to Strengthen GATT

(Continued from Page 13)

Council on Foreign Relations in New York.

In his new book, "Trade Talks," Mr. Yentzer outlines many of the problems being discussed. These include the GATT secretariat to undertake studies on de facto practices, surveillance processes, similar to International Monetary Fund reviews of members' economic policies, and establishing a permanent ministerial-level body under GATT to address issues on a regular basis.

The dispute-settlement procedure at GATT also would be reinforced by means of direct action.

Another recent study, published by the Washington-based Institute for International Economics, also as that the GATT participate in negotiations for IMF economic-stabilization programs and in discussions of World Bank loans to developing countries. Some consultants also have suggested that trade ministers regularly attend meetings of the IMF Interim Committee.

Most reformers also agree that GATT secretariat, currently playing about 300 people, probably would have to be expanded.

Also notes that the IMF envisages about 1,700 people and the World Bank more than 6,000.

The GATT is in urgent need of a new secretariat, Mr. Yentzer told the World Economic Forum, a Geneva foundation, as he began his last week. "We can strengthen GATT, to refurbish it in whatever ways are necessary to make it the needs of the international trading sphere in the coming decades."

## CGE Told to Resume Talks With AT&amp;T

International Herald Tribune

PARIS — Edith Cresson, France's trade minister, said Thursday that the French government had decided to ask state-owned Cie. Generale d'Electricite to resume its talks with American Telephone & Telegraph Co.

The talks had been aimed at strengthening each company's positions in the other's domestic market, especially in public telephone switching. But negotiations were halted as a Nov. 30 deadline for a French government decision passed without action.

estimated the total value of the trade at \$50 million a year.

The U.S. official noted that the dispute originated with a U.S. complaint about preferential treatment granted by the EC to imports of citrus fruit from Mediterranean countries, particularly in North Africa.

That triggered recent U.S. retaliation against pasta imports and counter-retaliation by the EC against U.S. lemon and walnut exports.

The EC considers its preferential treatment for Mediterranean farm products a key ingredient in its aid program for developing nations.

Mr. Yentzer asserted that the commission had "blocked both the adoption of the GATT panel result (which ruled in the U.S. favor) and a negotiated settlement."

On Wednesday at the news conference he compared the EC action to veto power used by the Soviet Union in the United Nations.

Mr. De Clercq, brushing off the assertions, said in a telephone interview from Brussels on Thursday that the commission would continue to defend its system of granting preferential treatment to Mediterranean products. "This program has been previously accepted by the United States, and we are ready to find a peaceful solution through negotiations, but only in the context of our long-established preference system," Mr. De Clercq said.

"We are aware about the U.S. complaints regarding our trade practices, but there are quite a few trade practices going on in the United States, which we consider illegal," and include "substantial U.S. government aid to exporters," he added.

Continuing, Mr. De Clercq said

that the idea of reviving the ITO "might someday become a reality, but it is not close." The EC fully supports improving the existing GATT system. "We do not want a tribunal established, with [power to order] sanctions."

## Australian Jobless Rate Up

Reuters

CANBERRA — Australia's seasonally adjusted unemployment rate rose to 7.9 percent of the estimated work force in November from 7.8 percent in October, the Statistics Bureau said Thursday.

The rate was 8.7 percent in November 1984, when 620,900 people were out of work. The number of jobless rose to 588,500 last month from 564,500 in October.

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THE TOP FRENCH QUALITY FIRMS

## COMITE COLBERT

## Christian Dior: A Luminous Legend

Bernard Arnault, President

On Feb. 12, 1947, a brilliant fashion designer presented his first collection. A masterpiece of fashion genius, it sent shock waves rippling around the world. The designer: Christian Dior. The collection: the unforgettable "New Look." Dior lived and designed for only ten short years more, but today, almost 30 years after his death, the name of Christian Dior shines brighter than ever in the fashion firmament.

"Christian Dior is one of the most prestigious names in the world, a part of the French heritage and a symbol of elegance in the widest sense of the term," says Bernard Arnault, 36, the new president of Christian Dior.

"We will never tarnish that name by going for a policy of easy short term profits."

Dior in 1947 employed 80 people and reported sales of about \$300,000. In 1985 with more than 1,000 employees, Christian Dior will declare a turnover of \$800,000,000, an 18 percent rise over last year, with profits, too, showing an important increase.

The careful capitalization on the name of Christian Dior is one of the merchandising miracles of the 20th century. As early as 1949, Dior instigated and developed a system of licensing agreements which has become the role model for the entire fashion industry. Today Dior has granted about 200 licenses for 84 different Dior label products manufactured in 100 different countries.

"The quality of our licensed-produced products is one of the great advantages of Dior," says Arnault.



naute. "We have been able to find very high quality licensing partners and we are the only company established in this way in Japan, the United States, Europe and South America." To maintain their exacting standards of quality, style and price, Dior has representatives in countries where their styles work directly with the licensees.

Looking ahead to the year 2000, Arnault foresees an even more splendid future for this magic name. He is installing new vigor into overseas expansion by opening a new wholly-owned boutique in New York in 1987 and a projected string of franchised American boutiques to follow, with contacts already established in Los Angeles, Dallas, Houston and Chicago. Creativity will stay firmly in the talented hands of Dior's celebrated designer, Marc Bohan, who along with Frederic Gaster, designer of the incomparable Dior fur collection, has been responsible for the perpetuation of Dior as an exceptional emblem of elegance. The ready-to-wear line will move under the sole direction of Bohan and his couture design team and the results should sparkle anew in next spring's collections. The highly successful men's line, Christian Dior Monsieur, designed by Dominique Morlot, has made stunning strides in the United States, now accounts for 52 percent of turnover.

Dior's magical mystique is more dazzling than ever as it prepares to celebrate the 40th anniversary of the house. Arnault can proudly say, "We are still number one."

AN ASSOCIATION OF THE MOST PRESTIGIOUS NAMES OF THE FRENCH "ART DE VIVRE" • 218 RUE DE LA BAUME • 75002 PARIS • AN ANNOUNCEMENT BY THE COMITE COLBERT



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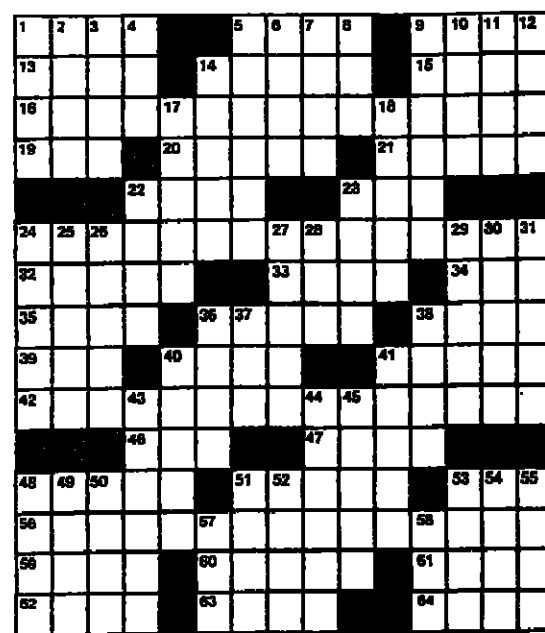
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## TRANS CAR









**ACROSS**

1 Lunar area  
5 "The night... thousand eyes"  
9 Outstanding  
13 Exercised  
14 Thirst and memory quencher of mythology  
15 Rating a 10?  
16 Start of a Franklin quotation  
19 Williams or Weems  
20 "ear..."  
21 Cotton thread  
22 Actor Richard  
23 "Kapital"  
24 Quotation: Part II  
32 Resign  
33 Poison  
34 Artie's wife, once  
35 Reeking  
36 An anagram for trace  
38 Some Feds.  
39 Masefield heroine  
40 Placket  
41 Moroccan capital

**DOWN**

1 Jeff's buddy  
2 Noted netman  
3 Marsh growth  
4 Anglo-Saxon letter  
5 Stalkers of tiny fish  
6 Envelope abbr.  
7 Brown or sabot  
8 Gen. Pershing's men  
9 Palookalike  
10 Sparks  
11 Chemical compound  
12 Printing directive  
14 The Pineapple  
17 Octave

18 Wingy  
22 Arthurian lass  
24 "Know..."  
25 Psalms sound  
26 Ammonia  
27 Starchy  
28 Romberg's "Kiss"  
29 Dear deer  
30 Eye parts  
31 Plume holder?  
32 Aid for Spade  
37 Islet  
40 Carols  
41 Western estate  
42 Low; service  
43 Branch of physics  
45 Palm off  
46 Assessment  
47 Stakes  
48 Part of A.D.  
49 Who or which  
50 Irwin of golf  
51 Anthony's faithful servant  
52 Another  
53 Comparative  
54 Superlative ending

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## DENNIS THE MENACE



I DON'T NEED A TOY CHEST, DAD... I'VE GOT YOUR GARAGE!

## JUMBLE

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

UMPIO

NUDAT

CAVELE

YARRIT

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer here: \_\_\_\_\_

Yesterday's Jumble: DEITY ADULT FETISH BALLET

Answer: What "takes" told by a long-winded bore usually have too many "DE-TAILS"

## WEATHER

FRIDAY'S FORECAST - CHANNEL: FR. FRANKFURT: Cloudy, Temp. 4-9 (F) - 31 (C). NEW YORK: Partly Cloudy, Temp. 4-9 (F) - 31 (C). PARIS: Partly Cloudy, Temp. 4-9 (F) - 31 (C). LONDON: Partly Cloudy, Temp. 4-9 (F) - 31 (C). BANGKOK: Partly Cloudy, Temp. 4-9 (F) - 31 (C). SINGAPORE: Partly Cloudy, Temp. 4-9 (F) - 31 (C). TOKYO: Partly Cloudy, Temp. 4-9 (F) - 31 (C).

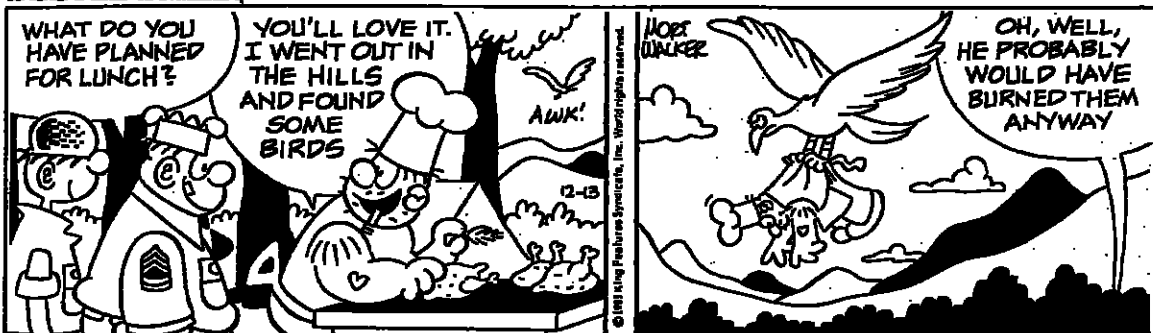
## PEANUTS



## BLONDIE



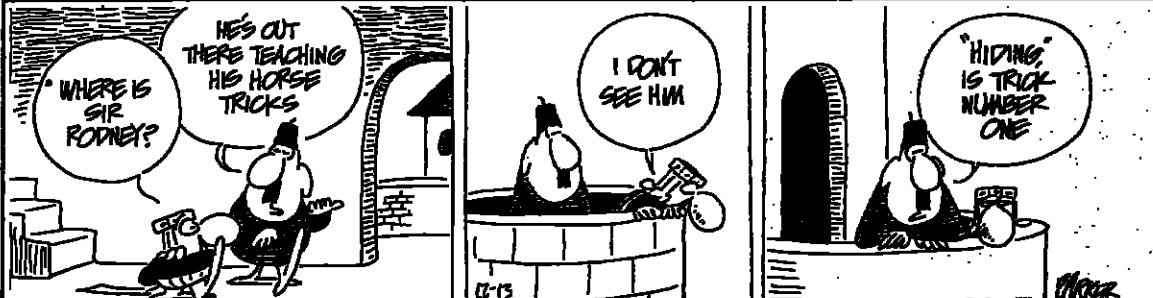
## BEETLE BAILEY



## ANDY CAPP



## WIZARD OF ID



## REX MORGAN



## GARFIELD



## World Stock Markets

Via Agence France-Presse Dec. 12

Closing prices in local currencies unless otherwise indicated.

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Class Prev.

ABN Holdings

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## London

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## BOOKS

## DREAMTIME

By Hans Peter Duerr.  
Translated by Felicitas Goodman. 462 pages. \$24.95.  
Basil Blackwell, 432 Park Avenue South, New York, N.Y. 10016

Reviewed by Kenneth Archib

ONE of the chronic afflictions of Western education is its insistence on resolving contradictions instead of embracing their simultaneous validity. Time can pass quickly and slowly at the same time. The truth can be a lie and a lie can be true. Logical language is able to comprehend the relativity that myth adores. Every Westerner has experienced the paradox, but our schooling makes it hard for us to say we "know" it.

Hans Peter Duerr's book is outstanding for its weirdness and provocation, even though its anthropology is neither original nor precise. Its 300 pages of footnotes are even more interesting than the 100-plus pages of text. "Dreamtime" celebrates the simultaneity of contraries at the crossroads of the logical and the mythic mind. "The dream place" is everywhere and nowhere, just like the "dreamtime" is always and never. It was predictable from the time when scientific specialization began in earnest that "Dreamtime" was a controversial best seller when it was first published in West Germany in 1978. It offers nothing essentially new except the energy of its serendipity.

As he moves through space and time with the freedom of a comparative anthropologist with no loyalties to systematic logic, Duerr focuses amorously on the premise that civilization proceeds most securely when it allows

the boundaries between its self-definition and the wilderness against which that definition is formed to be dissolved at least on an occasional routine basis. We "should turn wild so as not to surrender to our own wildness, but rather to acquire in that way a consciousness of ourselves as tamed, as cultural beings," he writes.

Duerr's study is in perfect sync with other contemporary explorations that insist that, whether it be in the chemical bath of the brain's neural network or in the study of psychotic disorders, the most fascinating interplay occurs on borderlines where limits are both defined and broken through: "Human societies, as we have seen, erected the fence between themselves and the wilderness in many ways, and this fence assumed a number of different meanings."

Illustrating his loosely joined argument, Duerr discovers or rediscovered provoking historical byways. Considerable documentation indicates that during the Middle Ages the courts were aware that women accused of witchcraft were often under the influence of hallucinogens and that witches "flights" were explained by drugs. Duerr speculates that the legal system's choice to ignore the chemical connection was made because of the Catholic Church: "If the sexual intercourse of the witch with the Devil or her dance at the witch's sabbath turned out to be nothing but an illusion, then the next logical step would be the conclusion that the Devil himself was nothing but a phantom also."

In "mombomb" (as the Tolai tribe of New Britain calls dreamtime), "ahh" (ancient Egyptian) and "aradaga" (Germanic), every thing turns upside down: "Humans behave like wild animals, and men sleep with their sisters." Pursuing inversions and reversals that occur at the borders of experience, Duerr spins off many tangents: fear of flying and the evaporation of ego boundaries; the transformation of the White Goddess or the huntress Diana into the Virgin Mary; werewolves (especially Chapter 6: "Wolves, death, and the island of ephemerality"); the Hachikawa Indians practice of traveling back along their previous path, compared to the Tsimtsebi men who walk against the current by "causing all the process, from breathing to the flow of semen to go 'backwards'"; and the eroticization of the late Middle Ages.

Duerr traces the interwoven cross-cultural leitmotif in Teutonic mythology of the world tree Yggdrasil. St. Peter's upside-down world and the axis of the world and its relationship to noon: The magician climbs down the tree from various worlds, just as Buddha sat under the tree to see many visions in heaven. "The magic world, the lower world, its top stretching to the upper world, and humans live around the middle section of its trunk. It's like the 'animal mother of shamans,' lies among the roots. She swallows the shaman's soul and gives birth to it in animal shape. From that day forward, the shaman possesses 'another side' of his person, his 'animal part'... which lives out in the taiga (or steppe) in a lonely tree."

Kenneth Archib is the co-editor of "Dreamtime." His book "A Writer's Time" will be published by Norton in January. He wrote this review for the Los Angeles Times.

## Solution to Previous Puzzle

BANK TACOS WAFT  
OMMO ENURE ARLO  
YOUNGHERONTRIES  
DINGEST ORLES  
SET TIME  
GERARD RUMINATE  
EMILE CODA GAT  
TOCATCHSOWEFISH  
ITE HIER NURSE  
TERRAINS TILLER  
ANTA RAG  
GLACE AIRMAILS  
LOOKWROSSTALKIN  
ACNE AWAKE DOME  
DIET PEPPY ANNE

12/13/85

## BRIDGE

By Alan Truscott

ON the diagrammed deal, North opened one diamond with a weak hand, relying on the power of his diamond suit. With the vulnerability in his favor, East might have tried four spades. This contract would have been doubled and beaten by two tricks for 300. When East was content to bid three no-trump, South tried three no-trump.

Since East's spades can be shut out, it seemed that three no-trump was due to make easily. West led spades and South held up his ace until the third round.

With any normal defense, South would have no trouble. He would lead the diamond king and continue that suit at every opportunity. The suit would be established, and the defense would be limited to

two spade tricks and two diamond tricks. But on the third round of spades West did something quite astonishing: He discarded the diamond ace. Now South could have taken a simple finesse in diamonds and emerged with 11 tricks.

But West had created a remarkable illusion. He had played exactly as he would have if his original diamond holding had been a doubleton ace. The dramatic discard would have been essential for the defense in that situation, so that the diamonds could not be developed without allowing East to gain the lead with the queen.

South not unnaturally decided that the diamond queen was on his right and that he could not make use of the diamonds. So he decided to try for tricks in clubs.

A club finesse lost to the jack, and West followed through by leading the diamond three. Still in the grip of the illusion that West had created, South put up the king and took another club finesse. To South's dismay, West won with the club king and cashed the diamond queen.

NORTH (2)

♠ A Q 10  
♥ K 7 8 5 2  
♦ 9 8 5 2  
♣ 4

WEST

♠ 8 3  
♥ 8 6 4 3  
♦ K 7 5 4  
♣ 6

EAST

♠ K Q J 7 6 5 4 3 2  
♥ 7 6 5 4 3 2  
♦ 7 6 5 4 3 2  
♣ A

SOUTH

♠ A 10 5  
♥ 10 6 4  
♦ A Q 8 7 3  
♣ A

North and South were vulnerable. The bidding: North 1♦, South 3NT, West Pass, East Pass.

West led the spade eight.

## Toronto Dec. 12

Condon stock via AP

High Low Close

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## SPORTS

## Gretzky Gets 7 Assists in Record-Tying Game

Compiled by Our Staff From Dispatches  
HICAGO—Wayne Gretzky is a gifted athlete that he can do whatever the Edmonton Oilers' offense needs. If it needs him, he can provide as many as seven assists in a game. If it is passing, also the best in the game at setting up goals.

## NHL FOCUS

Wayne Gretzky, last season setting a record for the most assists in a single game with 13, tied the record for the most assists in a single game with 13. After his performance Monday night in Chicago, Gretzky is on a pace that he will tie the record for the most assists in a single game with 13. After his performance Monday night in Chicago, Gretzky is on a pace that he will tie the record for the most assists in a single game with 13.



Mike Garcia

Skier Seriously Hurt  
Austria's Putz Crashes in Race

Compiled by Our Staff From Dispatches

VAL D'ISERE, France — Michaela Gerg of West Germany won the first women's World Cup downhill ski race of the season Thursday, but Christine Putz of Austria and Pam Fletcher of the United States were injured by heavy falls on the very fast track.

The Austrian team doctor, Sigi Wagner, said he found Putz "with blood in her lungs" and that her "life is in danger." She suffered a heavy head injury and now is unconscious.

An official medical bulletin issued Thursday afternoon said Putz was in a coma and that doctors were awaiting the results of brain scans before making any statements.

Putz, 19, had been taken by helicopter to the Sablonia La Tronche hospital in Grenoble while Fletcher, 20, from Acton, Massachusetts, was examined at the Val d'Isere clinic.

Officials of the U.S. ski team said that Fletcher had "bumped her head" in her spectacular crash but that she was not seriously hurt.

Putz, an Innsbruck native in only her second year of World Cup competition, was the 30th starter and went out of control at 100 kilometers per hour (62 mph) going into the Bank Turn of the 2.1-kilometer "O.K." course. She took the wrong line with her skis and struggled fruitlessly to recover going into the high, sloping turn.

Her ski tip caught on a bright orange safety restraining bag, part of the safety system that is designed to prevent racers from going off the course.

That launched her skyward and she crashed over the orange plastic barrier and onto the ground. Then she was thrown into a second somersaulting arc of 10 to 15 meters before crashing face down off the course.

Gerg, who was timed in 1 minute, 25.59 seconds, beating Canada's Laurie Graham by eleven-hundredths of a second, about the length of a ski. Maria Waliser of Switzerland was third at 1:25.75.



Christine Putz received "a heavy head injury," a doctor said, after falling at 62 mph during the downhill race at Val d'Isere, France.

## Denny Sent to Reds At Major Swap Meet

The Associated Press

SAN DIEGO — The Philadelphia Phillies traded Cy Young Award-winning pitcher John Denny to the Cincinnati Reds on Wednesday as major league baseball's annual winter meetings turned into a swap meet.

The Phillies traded Denny, 33, who won the National League Cy Young award in 1983, and minor league pitcher Jeff Gray to the Reds for pitcher Tom Hume and unhappy reserve outfielder Gary Redus.

The Los Angeles Dodgers sent catcher Steve Yeager, 38, to the Seattle Mariners for left-handed relief pitcher Ed Vande Berg, the San Francisco Giants traded veteran infielder Manny Trillo to the Chicago Cubs for infielder Dave Owen and the Baltimore Orioles sent outfielder Gary Roenicke and a player to be named later to the New York Yankees for infielder Rex Hudler and pitcher Rich Bordi.

The Yankees said later they had acquired infielder Mike Fischlin from the Cleveland Indians for a player to be named later.

The Texas Rangers reportedly were close to a deal that would send outfielder Gary Ward to the Kansas City Royals for left-handed pitcher Bud Black, the Boston Red Sox still were interested in striking

a deal with the Chicago White Sox for Tom Seaver, and the Yankees reportedly were working on a deal that would send designated hitter Don Baylor to the White Sox for pitcher Britt Burns.

The White Sox also were negotiating to retain their free-agent catcher, Carlton Fisk. They reportedly want to sign Fisk, and then trade him to the Yankees.

But The Associated Press learned Wednesday that Fisk has refused thus far to give the White Sox any assurance he will waive his right to turn down a trade. If Fisk re-signs, he will be a 5-and-10 man — five years with the White Sox and 10 years in one league — and thus have the right to veto a trade.

So far, nine trades have been made at these meetings.

While the Reds were able to move a discontented player, the agent for Kirk Gibson of the Detroit Tigers was becoming discontent himself by what he saw as a conspiracy among owners to "stonewall" free-agent negotiations.

There is a very, very unified effort to close off negotiations, specifically with Kirk," said the agent, Doug Baldwin. Baldwin said he had been unable to arrange meetings with any team here other than the Tigers.

"We're at an absolute dead end right now," he said, adding that he expected no negotiations before he left the meetings Thursday.

Gibson, the top name among this year's free agents, batted .287 with 29 homers, 97 runs batted in and 30 stolen bases in 1985.

The team owners, meanwhile, held their first joint meeting, but the only item acted upon was the approval of the sale of the Pittsburgh Pirates. On the agenda were two potentially controversial issues: expansion and drugs. Commissioner Peter Ueberroth offered no guarantees on expansion but vowed baseball would do something about drugs.

"We have learned that the players association is formulating its own drug program," he said. "We are encouraged by that."

The owners also listened to a report from their long-range planning committee on expansion.

Ueberroth said no timetable was set for expansion. "We'll probably have more meetings," he said. "We didn't come to any clear conclusion on the next step."

## 'Big Four' Gather Again as Old Indians Honor Dying Teammate

By Andrew H. Malcolm

New York Times Service

CLEVELAND — The Big Four

road again recently.

Thirty-one years after the Cleveland Indians compiled the American League's all-time best single-season record, their starting four pitchers and manager from that team, some other Indians and even a couple of football's Cleveland Browns got together on a snowy night with a few hundred supporters and several dozen memories to pitch a little relief for one of their own.

For 11 years from 1949 through the 1950s, Mike Garcia, the broad, burly left out of California's Orosi High School, was one of the pitching stalwarts for the Cleveland Indians in another era of baseball when every pitcher still tried to bat, when teams traveled by train and when \$35,000 was a year's salary instead of a bonus.

When their manager, Al Lopez, set up his pitching rotation in those days he could choose from Garcia, Bob Lemon, Early Wynn and Bob Feller and, later, Herb Score.

"It was a manager's dream," said Lopez, now in the Hall of Fame, "It was the best pitching staff I ever saw during 33 years in the majors."

But the powerful, lumbering giant of Garcia, "the Big Bear" as fans called him, is gone now. Friends instinctively move to help the 62-year-old pitcher to stand. He is much smaller. His mind wanders. His big hands are bony, fragile and full of pain instead of tricks. Garcia is dying of kidney failure.

Three times a week now, more often than he even pitched at the peak of his strength, Garcia and his wife, Gerda, make the 20-minute ride from their home here to allow Garcia, who is also a diabetic, to spend four hours on a kidney dialysis unit. For the last several years

that machine has drained his blood, flushed it clean and pumped it back into his body, leaving him physically and emotionally drained for half the time until the next treatment.

"It's no way to live," said Garcia, pausing to cough. "I been so big and strong so long, going every where, you know, this is tough. There's no cure. I know that. I'm just surviving a while."

Last summer friends fully realized how weakened Garcia had become, physically and financially. He had sold his dry cleaning business and real estate to cover medical bills. Having retired in 1961 with a 142-57 record, Garcia, who had made more than \$35,000 a year in baseball, is not eligible for the same generous pension and insurance coverage as today's ball players.

The pension plan has become lucrative only since the creation of the Players Association in 1967.

Players whose employment predated the association receive smaller pensions.

This remains a sore point for many aging veterans who feel they laid the popular foundation for the modern athlete's financial bonanza and that coverage should be extended more generously. "Today's players don't have any legal obligation to the old-timers," said Lopez, "They do have a moral obligation."

Mel Rose, a local restaurateur, donated the evening's drinks and meals, 1,000 pounds (453 kilograms) of beef. Waitresses donated their time. The coliseum donated a banquet room. Bob Dugan, an artist, did 500 copies of a drawing of the pitchers and Lopez, which were autographed for sale for \$100.

George Steinbrenner, the owner of the New York Yankees, sent a representative and an \$8,000 check. Even Will Rosenwinkel, Garcia's World War II sergeant, drove nine

hours through a blizzard to attend.

When all the bills were paid, said Dino Lucarelli, an organizer, they hoped to deliver \$60,000 into a Mike Garcia investment fund.

In 1954 the Indians went 111-43 with the Big Four providing 78 of those victories, 19 of them Garcia's. That year he had a league-leading 2.64 earned-run average and five shutouts, with 129 strikeouts.

The team eventually lost to the Giants in the World Series, four straight. But what Garcia remembered best was actually pitching in one of those games. "I lost," he said, "it happens."

They reminisced about the changing game: players who specialize in relievers now who get 10 times what starters used to get, batters who bow after home runs.

"There was greater camaraderie then," said Lemon. "You traveled by train together, roomed together, ate together. We had team family

picnics. These young guys get all the money. But we had all the fun. I wouldn't want to play today."

But that night at the banquet they praised Edward Miguel Garcia more as a gentleman and friend than as a pitcher. And when it was his turn to speak, Garcia had few words. "If I tried to say what I'm thinking," he said, "I'd fall apart. Cleveland is a terrific town with wonderful people. Maybe I'll get back to the park sometime for a hot dog and some more bubblegum. God bless all of you and thank you."

Then, as the crowd stood to cheer, Garcia slowly sat down and turned to Lopez, who had all those calming talks with him on the mound three decades ago.

"How'd I do?" whispered Garcia.

"You did good, Mike, you did real good."

## SCOREBOARD

## Basketball

## National Basketball Association Standings

## EASTERN CONFERENCE

## Atlantic Division

Team	W	L	Pct.	GB
Boston	12	10	.545	0
New York	11	11	.500	1
Philadelphia	6	16	.273	5

## Central Division

Team	W	L	Pct.	GB
Cleveland	14	8	.636	0
Chicago	11	11	.500	3
Indiana	10	12	.455	4
Pittsburgh	6	16	.273	8

## WESTERN CONFERENCE

## Midwest Division

Team	W	L	Pct.	GB
Minneapolis	16	7	.692	0
San Antonio	15	8	.652	1
Portland	11	12	.479	5
Utah	10	13	.435	6
Denver	6	17	.261	10

## Pacific Division

Team	W	L	Pct.	GB
Los Angeles	18	2	.900	0
Phoenix	16	4	.800	2
San Diego	10	10	.500	7
Seattle	8	12	.400	9
Golden State	6	14	.300	11

## WEDNESDAY'S RESULTS

Team	W	L	Pct.	GB
Boston	25	23	.521	0
New York	24	24	.500	1
Philadelphia	19	29	.396	6

## Selected College Results

Team	W	L	Pct.	GB
Boston	25	23	.521	0
New York	24	24	.500	1
Philadelphia	19	29	.396	6

## Soccer

Team	W	L	Pct.	GB
Boston	25	23	.521	0
New York	24	24	.500	1
Philadelphia	19	29	.396	6

## Skiing

Team	W	L	Pct.	GB
Boston	25	23	.521	0
New York	24	24	.500	1
Philadelphia	19	29	.396	6

## Ice Hockey

Team	W	L	Pct.	GB
Boston	25	23	.521	0
New York	24	24	.500	1
Philadelphia	19	29	.396	6

## Baseball

Team	W	L	Pct.	GB
Boston	25	23	.521	0
New York	24	24	.500	1
Philadelphia	19	29	.396	6

## Football

Team	W	L	Pct.	GB
Boston	25	23	.521	0
New York	24	24	.500	1
Philadelphia	19	29	.396	6

## Tennis

Team	W	L	Pct.	GB
Boston	25	23	.521	0
New York	24	24	.500	1
Philadelphia	19	29	.396	6

## Baseball

Team	W	L	Pct.	GB
Boston	25	23	.521	0
New York	24	24	.500	1
Philadelphia	19	29	.396	6

## Football

Team	W	L	Pct.	GB
Boston	25	23	.521	0
New York	24	24	.500	1
Philadelphia	19	29	.396	6

## Tennis

Team	W	L	Pct.	GB
Boston	25	23	.521	0
New York	24	24	.500	1
Philadelphia	19	29	.396	6

## Baseball

Team	W	L	Pct.	GB
Boston	25	23	.521	0
New York	24	24	.500	1
Philadelphia	19	29	.396	6

## Football

Team	W	L	Pct.	GB
Boston	25	23	.521	0
New York	24	24	.500	1
Philadelphia	19	29	.396	6

## Tennis

Team	W	L	Pct.	GB
Boston	25	23	.521	0
New York	24	24	.500	1
Philadelphia	19	29	.396	6

## Baseball

Team	W	L	Pct.	GB
Boston	25	23	.521	0
New York	24	24	.500	1
Philadelphia	19	29	.396	6

## Football

Team	W	L	Pct.	GB
Boston	25	23	.521	0
New York	24	24	.500	1
Philadelphia	19	29	.396	6

## Tennis

Team	W	L	Pct.	GB
Boston	25	23	.521	0
New York	24	24	.500	1
Philadelphia	19	29	.396	6

## Baseball

Team	W	L	Pct.	GB
Boston	25	23	.521	0
New York	24	24	.500	1
Philadelphia	19	29	.396	6

## Football

Team	W	L	Pct.	GB
Boston	25	23	.521	0
New York	24	24	.500	1
Philadelphia	19	29	.396	6

## Tennis

Team	W	L	Pct.	GB
Boston	25	23	.521	0
New York	24	24	.500	1
Philadelphia	19	29	.396	6

## Hockey

## NHL Standings

## WALDES CONFERENCE

Team	W	L	Pct.	GB
Boston	25	23	.521	0
New York	24	24	.500	1
Philadelphia	19	29	.396	6

## Central Division

Team	W	L	Pct.	GB
Boston	25	23	.521	0
New York	24	24	.500	1
Philadelphia	19	29	.396	6

## WESTERN CONFERENCE

Team	W	L	Pct.	GB
Boston	25	23	.521	0
New York	24	24	.500	1
Philadelphia	19	29	.396	6

## Midwest Division

Team	W	L	Pct.	GB
Boston	25	23	.521	0
New York	24	24	.500	1
Philadelphia	19	29	.396	6

## Pacific Division

Team	W	L	Pct.	GB
Boston	25	23	.521	0
New York	24	24	.500	1
Philadelphia	19	29	.396	6

## WEDNESDAY'S RESULTS

Team	W	L	Pct.	GB
Boston	25	23	.521	0
New York	24	24	.500	1
Philadelphia	19	29	.396	6

## Selected College Results

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## That's Entertainment?

# Hugh Nissenson: An Intellectual on the Frontier

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## Paris Fashion Museum Opens Balmain Exhibit

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## Budget Law in U.S. Seen as Power Shift

By Steven V. Roberts  
New York Times Service

WASHINGTON — The legislation President Ronald Reagan signed Thursday, which shifts power from the executive branch and away from the legislative branch, according to lawmakers from both sides.

Thomas P. O'Neill Jr., the speaker of the House, voiced a common view when he said "there is no question that Congress has given power" in the legislation.

Even before the president signed the bill Thursday, efforts were underway to limit that shift of power. To some, the issue is a legal one. Representative Mike Synar, a Democrat from Oklahoma, filed a suit in U.S. District Court here Thursday challenging the constitutionality of the measure.

By signing the bill, Mr. Reagan is "mindful of the serious institutional questions" raised by legislation, and he expressed hope that those questions could be "promptly resolved" by the courts.

To other lawmakers, the real issue is not legal but legislative. They said that the new budget process would give the president enhanced leverage in the battle between Congress and the White House over how to deal with the yawning budget deficit.

As a result, they said, the legislation has abdicated their responsibility to make "hard choices" and priorities for the government.

The drafters of the constitution, Mr. Synar maintained, "behold Congress should make these hard choices because Congress is the branch of government closest to the people."

Mr. O'Neill called the measure "a fraud, and said, 'it's going to work.' By next year, said, Congress would be so upset with its own handiwork that it would try to change the procedure to reverse its impact.

"Next year," said Representative William H. Gray 3d, Democrat of Pennsylvania, who heads the House Budget Committee, "people



Mike Synar

ON PAGE 3

The Reagan administration and House Republicans offered a proposal to encourage consideration of the tax reform bill.

Congress, stalled on a budget, adopted an emergency spending bill.

are going to say, 'Oh my God, is that what we did?'

Sponsors of the bill have a different view. Representative Connie Mack 3d, Republican of Florida, said the measure redefined the power of Congress but did not code basic responsibilities to the executive branch.

"The power is still within our hands, as I see it," Mr. Mack said. What Congress created was a system to deal with budget deficits that are soaring past \$200 billion in the current fiscal year.

Under this system, that deficit would be reduced in annual steps over the next five years, and would reach zero by 1991, if in any given year Congress failed to pass legislation.

(Continued on Page 3, Col. 1)

## Abduction Thwarted In Madrid

Cuban Diplomats Held; Target Said To Be a Defector

By Edward Schumacher  
New York Times Service

MADRID — Four employees of the Cuban Embassy in Madrid tried Friday to kidnap an exiled former Cuban official but were foiled when about 30 bystanders intervened, the police said.

The four, including an embassy vice consul waving a pistol, were arrested on the scene after the bystanders and a passing taxi blocked the kidnappers' car and helped the Cuban escape, the police said.

The police identified the former official as Manuel Antonio Sánchez Pérez and said he was listed as a senior economic official in the government of Fidel Castro. Interior Ministry officials said he asked for political asylum 10 days before during a stopover en route to East Berlin and it was provisionally granted.

His exact position in the Castro government, however, remained unclear. Western intelligence sources said the kidnapping attempt indicated that Mr. Sánchez Pérez, 50, was more than a technocrat. Normally well-informed sources in the Cuban exile community said he was involved in political infighting inside the Castro government and may have had delicate intelligence information.

Foreign Ministry officials said that the attempted kidnapping has riled the Spanish government of Prime Minister Felipe González, which until now had maintained cordial relations with Cuba.

[The Associated Press reported that Spain intended to expel the Cuban Embassy officials.]

[The Interior Ministry, with the approval of the Foreign Ministry, had sought court permission to expel the arrested Cubans, a spokesman said.]

The Cuban ambassador to Spain, Oscar García Fernández, was summoned to the Foreign Ministry moments after Foreign Minister Francisco Fernández Ordoñez returned from Brussels.

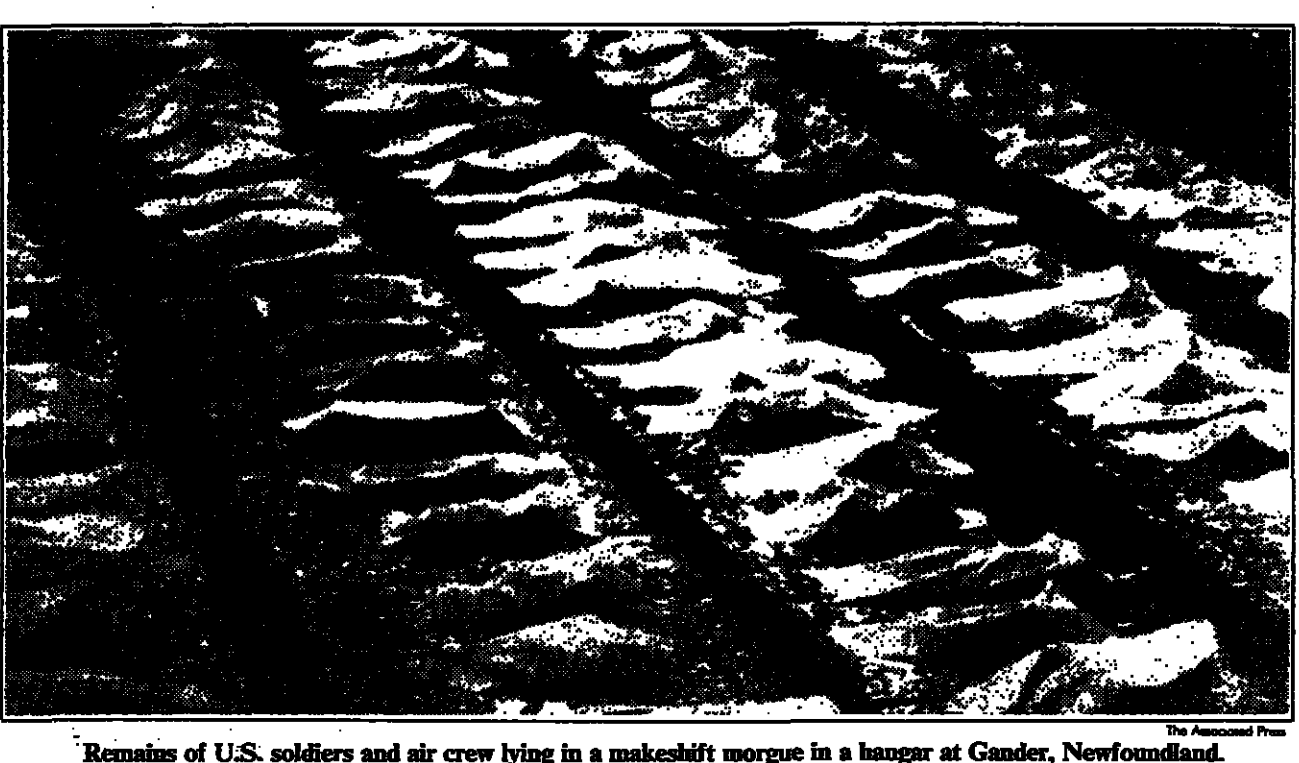
The police identified the four foiled kidnappers as Vice Consul Angel Alberto León Cervantes, Abelardo López Hernández and Ramón Barreto Chávez, both embassy clerks, and Ventura Ventura Torrientes, an embassy school teacher.

They said that Mr. Sánchez Pérez had emerged at 10:40 A.M. from a bank when he was assaulted.

His screams of "They're killing me, they're killing me" alerted bank attendants. A crowd gathered, hampering the assailants while Mr. Sánchez Pérez ran back into the bank.



Family members and friends of the 248 soldiers killed in the air crash entering a gymnasium at Fort Campbell, Kentucky.



Remains of U.S. soldiers and air crew lying in a makeshift morgue in a hangar at Gander, Newfoundland.

## Air Crash Clues Are Examined

Aides Refuse Speculation on Sabotage, Ice

By Jane Arraf  
Reuters

GANDER, Newfoundland — Officials searching for clues Friday in the crash of a DC-8 airliner here refused to speculate on whether the plane should have undergone ice removal procedures during its stopover or whether the accident might have been caused by sabotage.

Everyone aboard the flight was killed in the crash Thursday, which occurred as the plane, carrying U.S. soldiers home from peacekeeping duty in the Middle East, took off after refueling at Gander International Airport.

The reported death toll in the crash dropped to 256 from 258 as Pentagon officials said Friday that 248 soldiers had been on board the chartered plane. The crew of eight also perished.

It was the eighth worst crash in aviation history and the U.S. military's worst air disaster.

Canadian officials said the pilot of the airliner, which was owned by the Arrow Air charter company of Miami, did not request routine de-icing of the plane before taking off in freezing weather.

Canadian and U.S. authorities said Thursday that there was no evidence that "hostile action" had been involved in the crash.

However, officials of the Canadian Aviation Safety Board said later that the board was investigating all possibilities, including sabotage.

"Nothing has been ruled out — we are investigating every angle at this point," said Christianne Beaulieu, a spokeswoman for the board.

Earlier, an anonymous caller to an international news agency in Beirut stated that the crash had been caused by a bomb set by the Islamic Jihad group, a Shiite Muslim extremist organization that has claimed responsibility for numerous guerrilla attacks.

The caller asserted that the group had planted a bomb in the plane to prove "our ability to strike at the Americans anywhere."

Pentagon officials dismissed the claim.

More than 50 Canadian and U.S. airline safety experts continued to comb the wreckage Friday. The plane's cockpit voice recorder and flight data recorder were found Thursday.

The two officials who discussed de-icing — the manager of Gander International Airport and a Royal Canadian Mounted Police sergeant — would not speculate what role, if any, the lack of the ice removal procedures may have played in the crash.

Aviation experts noted that wing ice buildup has been cited as a factor in previous fatal air accidents, including a winter 1982 crash of an Air Florida plane in Washington that killed 78 persons.

The DC-8 charter, loaded with military equipment and 101,000 pounds (45,450 kilograms) of fuel, appeared to go out of control moments into its pre-dawn takeoff, according to some witnesses. It crashed in a fireball on a woody hillside 400 yards (364 meters) beyond the runway.

The plane had landed at Gander in a freezing rain 67 minutes earlier on a flight that began in Cairo and had included a fuel stop at Cologne. It was carrying the soldiers home to Fort Campbell, Kentucky, after a six-month tour as peacekeepers in the Sinai peninsula.

## 2 U.S. Kidnap Victims in Beirut Reported Dead

The Associated Press

WASHINGTON — U.S. intelligence officials believe that two of Americans kidnapped in Lebanon have died in captivity, two U.S. spokesmen reported.

The columnists, Jack Anderson and Dale Van Atta, said Thursday the Central Intelligence Agency determined that one, William H. Buckley, died last spring in a heart attack after torture by Muslim extremists.

They said that the CIA believed Mr. Buckley, 57, a U.S. diplomat, had been killed in April. On Oct. 4, a Shiite Muslim Islamic Jihad group killed Mr. Buckley in a car on the Oct. 1 Israeli air on Palestine Liberation Organization headquarters in Tunisia.

A report Friday, the columnists said that another hostage, Peter Kilburn, had also died in captivity. Both reports quoted unidentified intelligence sources.

State Department spokesman, Rie Rodman, said Friday: "As we said many times, we operate on the assumption that all six hostages are alive."

The columnists said that Mr. Kilburn, a librarian at the American University of Beirut who was captured Dec. 3, 1984, had died of a heart attack. Officials had concluded that his death was not the result of torture or abuse, they said.

Mr. Buckley was listed as a political officer at the U.S. Embassy in Beirut, but the columnists said that was actually the CIA station and had collected information on terrorism before militant Muslims kidnapped him on Oct. 16, 1984.

The columnists said that Mr. Kilburn was taken to the Syrian-controlled Bekaa Valley in eastern Lebanon, where Iranian Revolutionary Guards are stationed.

He was killed by the radical Hezbollah, a group of God, Mr. Buckley was said, at one point, taken to a prison in Beirut and interrogated by Iranian Revolutionary Guards, they said.

The columnists said that the al-Quds transported Mr. Buckley in March because they "he might be released by Syria."

## Soviet Aide's Visit Nudges Moscow, Beijing Closer

By Daniel Southerland  
Washington Post Service

BEIJING — The Soviet deputy foreign minister, Mikhail S. Kapitsa, left here Friday after having helped better Chinese-Soviet relations, according to diplomats.

Mr. Kapitsa's eight-day visit improved the atmosphere in relations and resulted in agreement on appropriate dates for an exchange of visits of foreign ministers, an East European diplomat said. An exchange had been agreed upon in principle more than two months ago.

The Chinese foreign minister, Wu Xueqian, is to visit Moscow next May or June, the diplomat said, while Mr. Wu's counterpart, Eduard A. Shevardnadze, is to come to Beijing in the fall for the first visit by a Soviet foreign minister to the Chinese capital in more than two decades. Soviet-Chinese relations deteriorated in the 1960s over a range of ideological issues.

While trade, cultural and diplomatic exchanges between the two nations have been increasing, Mr. Wu said in an interview with the Chinese news agency Xinhua earlier this week that no progress had been made toward removing what China calls the three main obstacles to "normalization" of relations.

These include the stationing of Soviet troops along common borders and in Outer Mongolia, the Soviet presence in Afghanistan and Soviet support for Vietnam's occupation of Cambodia.

But Western diplomats argue that Mr. Kapitsa's visit and the agreement to exchange foreign ministers are signs that, Chinese rhetoric notwithstanding, a kind of normalization is taking place.

At the same time, China is strengthening its ties with the rest of Eastern Europe. Vice Prime Minister Li Peng is visiting Czechoslovakia and Bulgaria from Dec. 13



Mikhail S. Kapitsa

to 22, and is to stop in Moscow on the way back to Beijing, the East European diplomat said.

In his year-end summary of foreign relations, Mr. Wu dwelt upon ties with Eastern Europe and said that China had improved its dealings with the Soviet Union "to a certain extent."

He said that China and the Soviet Union had signed a five-year trade agreement this year, and had exchanged parliamentary delegations after a long estrangement.

But Mr. Wu said, "to our regret, there has been no fundamental improvement in relations as yet," adding: "The main reason is that barriers remain."

Mr. Kapitsa, upon his arrival here last week for talks on international issues, sounded more positive. "Our bilateral relations are improving very rapidly," he said.

The East European diplomat predicted that the Russians eventually would remove some troops from the common border in an effort to "normalize" relations.

(Continued on Page 5, Col. 7)

## How to Make a Merger in Just 34 Days

By Geraldine Fabrikant  
New York Times Service

NEW YORK — It took just 34 days for General Electric Co. and RCA Corp. to forge their multi-billion-dollar merger.

Negotiations began late on the pleasant fall afternoon of Friday, Nov. 8, with a cocktail meeting at the apartment of Felix Rohatyn.

Mr. Rohatyn, a partner with RCA's investment banking firm, Lazard Frères & Co., had been asked by the chairman of GE, John F. Welch Jr., to introduce him to the chairman of RCA, Thomson F. Bradshaw.

That introduction was to lead to the agreement announced late Wednesday night. With their boards' approval, the two companies disclosed the biggest nonoil merger in U.S. history.

GE, the electronics and defense company, will pay \$6.28 billion for RCA, owner of the NBC broadcast network and a leader itself in defense and consumer electronics.

The agreement would pay \$66.50 a share for the company's 94.4 million shares outstanding.

The news followed six days of frantic, frequently round-the-clock discussions, at GE's law firm, Fried, Frank, Harris, Shriver & Jacobson, in the Wall Street area; at GE's headquarters in Fairfield, Connecticut; and at GE's Waldorf Towers apartment, where Mr. Welch and Mr. Bradshaw met several times.

All weekend cars ferried documents from Fried, Frank's offices to GE's Connecticut headquarters as lawyers and executives struggled to negotiate the agreement. By late Tuesday night, the differences had been narrowed to a handful and the lawyers for both sides worked until

in 1981, has consistently said he wants to increase GE's investments in the fast-growing services and technology segment of the economy and decrease its exposure to more industrial businesses.

Thursday, his jubilation was evident. His eyes were bright and he

Declaring that "we are safe as a hedgehog," Mr. Bradshaw rejected the notion that takeover fears were a motivating factor.

Like most executives, however, he is keenly aware of the forced restructuring that took place at CBS as a result of Ted Turner's bid for that network. And he did say, "We did not want to see the company broken up willy-nilly."

A financial expert who has followed RCA for years believes that "Bradshaw has always been convinced that RCA either had to buy or sell — but that it had to merge big."

Indeed, Mr. Bradshaw had sought earlier in the year to forge a merger with MCA Inc., until the Los Angeles-based entertainment company unexpectedly pulled out of talks in September. Immediately thereafter, RCA instituted a provision to protect itself against an unfriendly bidder.

Despite the mood of mutual satisfaction among the corporations' representatives at the news conference, sources close to the negotiations said there had been some differences as the agreement was being structured.

There was confusion initially over whether the transaction would be all cash, or cash and stock.

GE also wanted a guarantee that it could buy two of RCA's particularly desirable television stations to discourage other bidders from seeking them.

(Continued on Page 11, Col. 5)

Despite the mood of mutual satisfaction, sources close to the negotiations said there had been some differences as the agreement was being structured.

6:30 Wednesday morning to move the negotiations to their final phase and complete the papers.

The intention was to keep the talks secret. But by Tuesday the word was out that something was up at RCA. On Wednesday, Wall Street went wild. RCA's stock rose \$10.375 points, to reach \$63.50 by the close of trading. Volume in RCA totaled a remarkable 5.1 million shares. Late that night, after both boards met, a formal release verified what had been rumored that day.

For Mr. Welch, the merger moves GE closer to the structure he has envisioned and has frequently described to Wall Street bankers and analysts.

The tough, aggressive 50-year-old chairman, who took over at GE

## Soviet Union Trying to Control Video Revolution

By Philip Taubman  
New York Times Service

MOSCOW — The Russian host, a nonconformist writer, flipped on his television, slipped a cassette into the Japanese video player and pressed the play button.

The first frames of "The Good, the Bad and the Ugly," an early Clint Eastwood film, flickered on the screen.

"These opening scenes are great," the host said with anticipatory pleasure as he settled into an armchair.

Video recorders, which made their entry on the Soviet scene in the late 1970s as novelties that only the elite could find or afford, have started to become a mass phenomenon.

Although the number of owners remains far smaller and the cost still is far higher than in the West, increasing numbers of Russians are watching movies at home, according to newspaper reports and Muscovites.

Most of the films they watch were made in the West and are banned officially in the Soviet Union, the Russians said.

The growth in video usage has forced the government to rethink

its initial response to video players, which was a heavy-handed effort to prevent their introduction and discourage their use.

Apparently persuaded that this approach only forced the business underground, the government is trying to control the trade by embracing it.

In recent months the Soviet Union has started mass-producing video players, made available a limited but growing selection of ideologically safe films, and opened video stores that, like their counterparts in the West, rent movies overnight.

Despite the efforts, the Soviet authorities have had a difficult time keeping home video viewing within acceptable political limits. Pornographic films, which were popular when video recorders made their debut, have been supplanted by more serious movies that pose a greater threat to political orthodoxy.

One of the most popular movies in Moscow this fall, according to Russians, has been "Man of Iron," a Polish film directed by Andrzej Wajda that sympathetically chronicles labor unrest in Gdansk, the birthplace of the Solidarity trade union movement.

The films of Ingmar Bergman, Federico Fellini, Milos Forman and Bernardo Bertolucci circulate widely in Moscow. "Amadeus," Mr. Forman's U.S. Academy Award-winning movie about Mozart and Antonio Salieri, is among the hottest video properties in the



Arsen Kuchuberiya, a mechanic in Moscow, signing a contract to rent a video cassette.

Soviet capital, according to Muscovites.

Older films such as Mr. Bertolucci's "Last Tango in Paris" and Mr. Bergman's "Fanny and Alexander" also are very popular, Muscovites said.

Sylvester Stallone's first

Rambo movie, "First Blood," has attracted a large following. Video owners said they were eager to see "Rambo: First Blood, Part II," released in the West this year.

The going rate for having a movie dubbed into Russian is

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Latin America's provinces re-  
served "second-class citizens" in  
parison with the region's  
tals. Page 3.

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Los Angeles's Museum of  
Contemporary Art has been  
an Earthwork: two giant  
scals in Nevada. Page 6.

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S. wholesale prices rose 0.8  
ent in November, the gov-  
ernment reported. Page 9.



## Qadhafi, in Burkina Faso, Urges Revolution in Africa

United Press International

PARIS — Moamer Qadhafi and three planeloads of bodyguards descended "like a conquering army" this week on Burkina Faso, where the Libyan leader urged revolution in Africa, according to a report in Friday's editions of the French daily newspaper Le Monde.

Colonel Qadhafi was completing a tour of West African nations that had taken him also to Senegal, Mali and Ghana. "Two Boeing 707s and a big Antonov transport plane were needed to bring in 450 Libyans whose main job is to guard their leader," Laurent Zecchini wrote from Ouagadougou, the capital of Burkina Faso.

"Clad in military fatigues with blue berets or civilian dress and carrying Kalashnikov assault rifles, they literally took over the airport," he reported. "They showed no hesitation about giving the local body searches and demanding identity papers, both at the airport and at hotels in town."

Mr. Zecchini said that Colonel Qadhafi was surrounded by bodyguards as he moved through the airport building, and that some of them were teen-age girls and boys.

President Thomas Sankara of Burkina Faso was quiet when Colonel Qadhafi raised his fist at a rally and called on the local people to form three-member revolutionary cells aimed at eliminating Western influence from Africa, the Le Monde article said.

"Libya will give you everything you need," Colonel Qadhafi was quoted as having said, "gasoline at favorable prices, cement that you badly need." He also pledged military support.

Fears were expressed this week during a conference of African leaders in Paris that Colonel Qadhafi's tour was aimed at



Moamer Qadhafi

cracking French influence in Africa and at threatening Chad. [French television reported Friday that French planes from the Central African Republic had resumed reconnaissance flights over southern Chad following reports that Libya had recently built up its military strength in the north, Reuters reported.]

President François Mitterrand of France received André Kolingba, leader of the Central African Republic, on Friday. General Kolingba said afterward that France had every freedom to reinforce its troops in his country because of the situation in Chad.

[In addressing African leaders earlier, Mr. Mitterrand sent a public warning to Colonel Qadhafi against any drive into Chad. He also declared that France would never accept partition of Chad. The three-day summit meeting ended Friday.]

In Ouagadougou, Colonel Qadhafi was quoted as having said at an airport rally: "The non-Francophone countries at that summit, like Egypt, are behaving like dogs hanging around under the table."

## Africa Faces Choice: Ivory or Elephants?

By Edward A. Gargan

New York Times Service

SERONERA, Tanzania — On the coast at Dar es Salaam, Gabriel Ngili carves ebony logs into wily black swirled of grace and movement. He also works in white, but then he uses ivory, not wood.

So do hundreds of other carvers, who, like Mr. Ngili, come to work each day in one of more than 60 mud-walled stores that stretch along Mpitani Road in the capital, about 450 miles (about 730 kilometers) southeast of here.

More than half the stores sell ivory, from finger rings to bracelets to four-foot-high sculptures cut from a single tusk. Much of the ivory comes from poachers who illegally hunt the herds here in the Serengeti National Park.

Elephants have disappeared from many parts of Asia and Africa, and even in the game parks of Kenya, Zambia and Tanzania, the herds are shrinking. In an effort to protect those remaining, many countries have banned the sale of ivory, but in Tanzania the trade is still legal, even though shooting the elephants to obtain ivory may be illegal, and business goes on.

Craig Packer, a University of Minnesota professor studying animal behavior on the Serengeti Plain, hopes to organize an aerial census of elephants in the Selous Game Reserve in southern Tanzania. Bigger than Switzerland, it is the largest game reserve in East Africa.

"We think there are 100,000 elephants there now," Mr. Packer said. "But within a year, there could be as few as 50,000."

Elephants become much more vulnerable in the last few

years, most experts believe, because of a sharp decline in the rhinoceros population. Poachers seeking to supply the trade in rhino horn have hunted them almost to extinction. As in other parks and reserves in this part of the country, when the rhinos disappeared from the Serengeti park, the poachers turned to elephants.

"The rhino has been nearly wiped out from the Serengeti," said

**'The rhino has been nearly wiped out from the Serengeti. That has put the elephant under very heavy pressure.'**

— Markus Bomer

a zoologist at Serengeti National Park

Markus Bomer, a zoologist who is in charge of the Frankfurt Zoological Society's management and conservation efforts at the park. "That has put the elephant under very heavy pressure."

Mr. Bomer said tribes that live on the park's boundary often poach to obtain meat. But the large herds of wildebeest and zebra that roam the park, and the smaller numbers outside its boundaries, can supply enough meat to satisfy the needs of local tribes. Nearly 1.5 million wildebeest and 200,000 zebra live in the park, Mr. Bomer said.

It is the trophy poachers who have decimated the rhinoceros population and threaten to do the same to the elephants.

"The rhinos have been wiped out in two years without us being able to respond," Mr. Bomer said. "Before 1976, there were a few animals

with the government in the effort to stop poachers.

"We're down to a few hundred rhinos, so the poachers have gone after the elephants," he said. That, in turn, has sent the elephant population into a steep decline.

"We had 100,000 elephants in 1973," Mr. Faddy said. "We dropped to 50,000 in 1978, and now we're down to 25,000."

Although dealing in ivory is prohibited in Zambia, the country's deteriorating economy has given poaching for both rhino horn and ivory a new popularity because of the foreign exchange trade generates, according to Mr. Faddy. A whole front rhino horn, which weighs about 10 pounds (4.5 kilograms), can bring about \$45,000.

According to those familiar with the trade, the primary market for the horns is the Middle East, particularly Yemen, where they are

carved into dagger handles. Other markets exist in the Far East, where rhino horn has a reputation as an aphrodisiac.

"Zambia is desperately short of foreign currency," Mr. Faddy said. "As long as we continue to experience these economic problems, we will have heavy pressure on the elephant and rhino."

To Mr. Bomer, however, the primary threat comes from the legal market in Tanzania.

"Because of the nearby market," he said, "it is very easy for poachers to kill elephants and sell the ivory. I suspect that at least half of the ivory is illegal."

Ivory sells for about \$45 a pound (\$100 a kilogram) wholesale in Dar es Salaam.

"That makes poaching very profitable," Mr. Bomer said. The solution he favors is to educate buyers about the source of the ivory.

■ **Singapore to Halt Trade**

Singapore, where dealers actively trade wild animals, rhinoceros horn and ivory, has again pledged to end the trade in rhino horn, Reuters reported.

Singapore had announced last year that it would sign the United Nations-sponsored Convention on Trade in Endangered Species.

A National Development Ministry spokesman said Wednesday that Singapore had again stated that it would sign the convention.

### New Berlin-New York Flight

The Associated Press

BERLIN — Pan American Airlines said Friday that it would begin direct flights from West Berlin to New York on Feb. 15, 1986.

## PLO Sending Personnel to Iraqi Capital

Reuters

TUNIS — The Palestine Liberation Organization is redeploying personnel from its Tunis headquarters to Baghdad and other Arab capitals in a strategy aimed at rebuilding its military muscle, according to Palestinian sources.

PLO staff members have joined the group's military wing, the Palestine Liberation Army, and left for the Iraqi capital with their families in the past three weeks in a move of 250 to 300 people, the sources said.

Iraq has agreed to pay for military training in Baghdad, which is becoming a major PLO base, and is treating the Palestinians as units in its army, the sources added.

The PLO leadership and the core of its main departments are to stay in Tunis, but many sections are being cut back by 50 to 75 percent.

Other staff members are to be moved to Jordan, to Algeria, to the PLO's military headquarters in North Yemen, and to Sudan, according to the sources.

The objective is to step up military preparedness for operations against Israel in the occupied territories of the West Bank and Gaza, the sources said.

Senior PLO officials emphasize that the decision to move personnel was made before Israel bombed the PLO headquarters in Tunis on Oct. 1 and the damaging hijacking of the cruise ship Achille Lauro by Palestinians a week later, in which an elderly American cripple was murdered.

They added that the cause of the move was not Tunisia's reaction to the two events. However, diplomatic sources said, President Habib Bourguiba had seriously considered reducing the PLO presence in Tunis after the Israeli raid.

The number of Palestinians leaving Tunis, where Yasser Arafat, the PLO chief, moved his headquarters after the Israeli invasion of Lebanon in 1982, has nevertheless increased since then.

The sources said a significant factor in the re-evaluation of the PLO's presence in Tunis was the problem of Palestinian unemployment, whose potential was being wasted with nothing to do far from the homeland they claim.

When Iraq changed its policy to allow the entry of families of PLO personnel, the PLO saw this as an ideal opportunity, the sources said.

### For the Record

Chancellor Helmut Kohl of West Germany will have informal talks in Paris on Tuesday with President François Mitterrand of France, the Bonn government said Friday.

France's Communist-led trade union will strike Thursday to protest a bill introducing flexible working practices, according to the leader of the General Confederation of Labor, Henri Krasucki.

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Vice Admiral John M. Poldoski, the new U.S. national security adviser, met Thursday with General Walter López Reyes, the commander of the Honduran armed forces, in Tegucigalpa and asked him to permit the transit of U.S. aid to Nicaraguan rebels who are fighting to overthrow Nicaragua's Sandinist government. (NYT)

## Russia, U.S. to Pursue Efforts On Protection of Environment

By Philip Shabecoff

New York Times Service

WASHINGTON — President Ronald Reagan and Mikhail S. Gorbachev approved a broad, detailed agreement on environmental protection at their meeting in Geneva last month, according to administration officials.

The accord was reached in Moscow just before the summit meeting after negotiations between delegations headed by Lee M. Thomas, administrator of the Environmental Protection Agency, and Yuri A. Izrael, chairman of the Soviet government's State Committee for Hydrometeorology and Environmental Control, officials said Thursday.

A joint statement issued in Geneva after the summit meeting said consultations on new cooperative projects in the environmental field were to be held next year in Moscow and Washington.

In fact, the Moscow talks were completed just before the Geneva meeting. A memorandum that resulted fills 50 pages.

The Moscow accord covers issues ranging from cooperation in

## WORLD BRIEFS

### Khmer Rouge Reports Major Raid

BANGKOK (AP) — Khmer Rouge guerrillas said Friday they had attacked the Vietnamese military headquarters at Siem Reap, 185 miles (300 kilometers) from Phnom Penh, and other targets in western Cambodia, killing 175 people, including several Vietnamese commanders and a Soviet adviser. It made no mention of casualties among the Khmer Rouge.

In a separate report, the radio said that Vietnamese forces had bombed villages in western Cambodia in three operations from Sunday to Tuesday. It gave no casualty figures.

The Khmer Rouge often claims attacks against Vietnamese military targets in Cambodia and bombing by Vietnamese aircraft, but Indochina experts and Western diplomats here generally consider the claims exaggerated.

### Sakharov Rights Prize Established

STRASBOURG, France (AP) — The European Parliament voted Friday to establish an annual human rights prize named after Andrei D. Sakharov, the Soviet dissident.

The Parliament said in a resolution that the prize would be awarded for work in the development of East-West relations, the defense of human rights or safeguarding "the freedom of scientific inquiry."

Greek Communist deputies vehemently opposed the resolution and tried to convert the prize into a tribute to Nelson Mandela, the imprisoned South African nationalist leader. However, the resolution was adopted, 94-30, with 20 members abstaining.

### Pope Urges More Dialogue, Solidarity

VATICAN CITY (Reuters) — Pope John Paul II, in a peace message issued Friday, called for East-West dialogue and North-South solidarity to create a new world order of "peace without frontiers."

In the message for the Roman Catholic Church's 19th World Day of Peace on Jan. 1, the pope said tensions caused by underdevelopment in the Third World could not be separated from East-West nuclear rivalry.

"There can be only one peace," he said in the 17-page document, which will be delivered personally to many heads of state. He urged more talks on disarmament and "the kinds of dialogue that take place when borders are open and people can travel freely" and "when scholars are free to communicate, when workers are free to assemble."

### Uganda, Rebels Fail to Sign Accord

NAIROBI (Reuters) — The Ugandan military government and rebels failed Friday to sign a peace pact despite strong pressure from Kenyan mediators.

The leader of the National Resistance Army, Yoweri Museveni, declined to comment, as did President Daniel Arap Moi of Kenya, who has been chairman of the negotiations since they began in late August. After the talks, the Ugandan head of state, Tito Okello, would say only: "Not yet, gentlemen."

The failure to sign a peace pact came as no surprise, as both sides have said they disagree on a wide range of issues, including future representation in the Ugandan government and the composition of a new national army. Talks were scheduled to continue Saturday.

### U.S. City Extends Emergency Order

PHILADELPHIA (AP) — Mayor W. Wilson Goode extended an emergency order for a predominantly white neighborhood Friday, a day after a suspicious fire damaged a house once occupied by a black family targeted by white protesters.

The Nov. 22 declaration, which prohibits gatherings of more than four people for other than recreational or religious purposes, had been scheduled to expire Friday, but Mayor Goode extended it until Dec. 27.

The blaze Thursday night at a vacant row house, which had been reclaimed by the Veterans Administration after the occupants moved because of protests, was quickly controlled by firefighters. The FBI is investigating the blaze because it occurred on federally owned property, according to Robert Welsh, acting first assistant U.S. attorney.

### U.S. Fusion Reactor Tests Successful

WASHINGTON (WP) — A major step toward the long-sought goal of producing electricity from atomic fusion occurred late Wednesday night when the most powerful fusion reactor ever built was successfully fired at Sandia National Laboratory in New Mexico.

The device contained no nuclear fuel, but the test proved that the newly designed and built machine can perform as intended. About two years of further testing and tuning will be needed before scientists put nuclear fuel into the machine, called the Particle Beam Fusion Accelerator II, and try to ignite the first controlled fusion reaction in the laboratory.

The Sandia machine represents one of two U.S. main experimental approaches to achieving controlled fusion, called inertial confinement. A third method, called magnetic confinement and using a device called a tokamak, is under development at Princeton University in New Jersey.

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### U.S. to Replace Staff in East Bloc With Americans

WASHINGTON — Substantial numbers of American drivers, guards and other support personnel will replace local employees in U.S. embassies and consulates in the Soviet Union and other East European countries.

A State Department spokesman said Thursday that the program, designed "to counter intelligence threats against our embassy abroad," had been set in motion before President Ronald Reagan's executive order Nov. 1 tightening U.S. security through the use of polygraph tests and other means.

Secretary of State George P. Shultz has asked for \$3.9 million in fiscal 1986 and \$17.9 million in fiscal 1987 to replace one-third to one-half of the Soviet nationals employed in the U.S. Embassy in Moscow and the U.S. consulate in Leningrad with American workers.

A parallel program of replacing local workers with Americans in the six Warsaw Pact countries of Eastern Europe is expected to cost about \$2.3 million in fiscal 1986.

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## 3 Get Life in Prison for Killing Israelis

The Associated Press

NICOSIA — A Briton and two Palestinians were convicted Friday of murdering three Israelis aboard a yacht in a Cyprus marina in September. They were sentenced to life in prison.

The defendants, Ian Michael Davidson, Khaled Abdel Kader al-Khatib and Abdel-Hakim Saado al-Khalifa, stood silent as Judge Yannis Poyadjis read the sentence.

Judge Poyadjis said that because the three were found guilty of premeditated murder, "the only sentence I can pass is life imprisonment for each of the three accused." Cyprus does not impose a death penalty.

Israel had contended that the gunmen were members of an elite Palestine Liberation Organization unit called Force 17, and retaliated for the slayings with an Oct. 1 air attack on PLO headquarters in Tunis. However, PLO officials in Cyprus denied that the gunmen were members of Force 17.

The three defendants had acknowledged they killed the three Israelis after commandeering their moored yacht in Larnaca on Sept. 25.

They refused to plead guilty, however, asserting that they acted out of "moral duty." Mr. Khatib said that he and his companions killed the Israelis "because they ran a spy ring in Cyprus and were responsible for the arrest of many of our comrades as well as the murder of many women and children."

■ **Hijacker Pleads Not Guilty**

The only surviving alleged hijacker of an EgyptAir Boeing 737 that was forced to Malta last month and stormed by Egyptian commandoes has pleaded not guilty to 16 counts of murder, assault and hostage taking, United Press International reported from Valletta, Malta.

Omar Mohammed Ali Rezaq, a 22-year-old Palestinian born in Lebanon, said in a court in Valletta on Thursday that he rejected the charges.

Mr. Rezaq had been identified earlier as Omar Marzouki and his age was given as 20.

### Prisoners in Israeli Jails Call Off Hunger Strike

Reuters

JERUSALEM — Several hundred Palestinian guerrilla prisoners protesting Israeli prison conditions have called off a hunger strike, leaving about 50 prisoners still fasting at the Jasin prison in the occupied West Bank, Israeli and Palestinian sources said Friday.

The prisoners accepted an offer of talks with Israel's prison commissioner, Rafi Suissa, on Sunday. Palestinian sources said that 1,500 prisoners took part in the protest.

### Church Services

PARIS

CENTRAL BAPTIST CHURCH, 13 Rue du Vieux



## AMERICAN TOPICS



FULL OF SPIRIT — It's off to work for a busload of New York sidewalk Santas enlisted by Volunteers of America.

## San Francisco's Smoking Law Proves No Cause for Alarm

Enforcement of San Francisco's landmark anti-smoking law has proved neither expensive nor difficult during the 21 months it has been in effect. The Washington Post reports. The law requires employers to maintain a smoking policy satisfactory to both smokers and nonsmokers. If compromise is not possible — if even one nonsmoker is dissatisfied with the policy — the employer must ban smoking in work areas, but not in hallways, lounges and lavatories, which are not included in the ordinance. Violations are punishable by fines of up to \$500 a day.

"It has been one of the biggest non-events in San Francisco," said Dr. Michael Martin, an epidemiologist who made a special study of the law. He said that during the first 10 months the law went into effect, the city health department received only 102 complaints, but resolved all of them without legal action or fines. Complaints have declined steadily since.

No new employees were hired to enforce the law.

## Short Takes

April Veness, a lecturer at the University of North Carolina who comes from the Middle

West, says traditional Southern hospitality, alive today in such customs as telling departing guests, "V'all come back," or youngsters addressing grown-ups as "sis" or "ma'am," probably derives from geography and settlement patterns. Wealthy planters adopted the manners of the rural English aristocracy, and their farms were so isolated that the arrival of a guest, even a stranger, could be a major social event. By contrast, Northerners lived closer together in towns and on small farms and had no slaves to do household chores when guests came calling.

The Democratic Party is not abandoning its donkey mascot despite news reports to the contrary after the party ordered a new design for its stationery. Paul G. Kirk Jr., chairman of the Democratic National Committee, said the donkey "is here to stay." Like the Republican elephant and the Tammany tiger, the donkey comes from the 19th-century cartoons of Thomas Nast. It first appeared as a mule, with a caption that some might say is up-to-date: "The Democratic Party is like a mule — without pride or hope of posterity."

Shorter Takes: Sixteen tall-masted sailing ships were the hit of the 1976 U.S. bicentennial celebration in New York harbor. Organizers of the 1986 Statue of Liberty centennial aim to outdo that display with 20 tall ships

from as far away as Indonesia. ... Shawn Thompson, a television actor, was charged with lifting when he sent a Ken doll — boyfriend of the Barbie Doll — over Niagara Falls in a sealed Kentucky Fried Chicken bucket. Ken survived.

## Ebony, at 40, Keeps Its Focus, Pushing Power of the Positive

Ebony, a glossy magazine for blacks, was founded in 1945, two years before blacks were allowed to play major league baseball and nine years before segregation was outlawed in the public schools.

Although Representative Louis Stokes, an Ohio Democrat, said on an earlier anniversary that "Ebony magazine has been at the forefront of the black man's struggle for political and social equality," the 1.7-million-circulation monthly is still criticized for running too many articles about athletes and entertainers.

Its editors say its tone was set its first year, when Ebony said it would "try to mirror the happier side of Negro life — the positive, everyday achievements from Harlem to Hollywood. But when we talk about race as the No. 1 problem of America, we'll talk turkey." — Compiled by ARTHUR HIGBEE

## Latin Provinces Remain the Underdogs

By William D. Montalbano  
Los Angeles Times Service

SALTA, Argentina — Life spins at its own individualistic pace here on Argentina's northwest frontier. The people chew coca and spend money that isn't. They love their country, but they sue the central government.

Salta province borders Bolivia, Chile and Paraguay. In heritage, lifestyle and outlook, it has more in common with those countries than with Buenos Aires, the Argentine capital 1,200 miles (1,944 kilometers) away.

An economically stagnant tobacco- and grain-growing region of 738,000, Salta is a microcosm of the distress and frustration that mark provincial life in Latin America.

In almost every Latin American country, provinces are second-class citizens yet proudly wedded to their relaxed lifestyles. They dwell on the outside of national life, looking on with a mixture of envy and disdain at the central government.

In Salta, complaints about Buenos Aires parallel the grievances of Third World raw-materials producers against the industrialized countries.

"They take our oil and refine it elsewhere," said Carlos van Cauwelaert, head of Salta's Chamber of Commerce and Industry. "We feel three so Buenos Aires can make planks. We harvest tobacco, but make no cigarettes."

Latin American capitals like Buenos Aires have the biggest industries, the most jobs, the best schools, the latest movies, the smoothest asphalt and the best soccer teams. They are both the cause and the result of massive internal migration since World War II.

Salta is an oil-producing province. But like all oil in Argentina, Salta's product belongs to the central government, which pays provinces a pittance for what it takes. A suit filed by Salta seeking \$60 mil-



The provinces are second-class citizens, yet are proudly wedded to their relaxed lifestyles.

lion in back payments is before the Argentine Supreme Court, according to Raul Eduardo Pessani, Salta province's treasury secretary.

The province fights the underdog's war with innovation. Two kinds of currency, Argentine pesos and provincial bonds, circulate on the streets of this provincial capital of 290,000. The bonds are good only within Salta province and are redeemable only at provincial banks.

The bonds look like money, feel like money and are spent like money with a value equal to Argentine currency.

Provincial officials solemnly insist, however, that the bonds are not money. Only the central government has the constitutional authority to issue currency, they say.

The bonds, in an anomaly perhaps typical of the relationship between Latin American capitals and their provinces, are printed on contract by the national mint in Buenos Aires.

The bond concept, which was adopted in Salta last year and has been copied by a number of other provinces since, is a stratagem to avoid having to borrow at high in-

terest while awaiting revenue-sharing funds from Buenos Aires.

Public employees in Salta, who comprise the largest part of the work force, are paid in bonds.

Argentina is not the only place where provincial ingenuity discomfits national authorities.

In Talara, an oil-producing city in northern Peru, a municipal bordon called The Red Rose is an important source of civic revenue. The mayor who originated the idea is a local hero, although officials in Lima have expelled him from their political party.

Provincial discontent bred by the centralization of power is not a new theme in Latin America, but the historic inequity is aggravated in these times of economic hardship.

Macists seeking to ignite revolution along the spine of the Andes mountains chose Ayacucho, Peru, as their headquarters, largely because Lima governments have virtually ignored Ayacucho's needs for four centuries.

A number of Latin American nations, including Colombia, Chile and Peru, are unitary republics. Such provinces depend entirely on the national government.

The capitals, which usually are distant both in miles and in their priorities, adopt policies, pay the bills and appoint officials ranging from governors to traffic policemen and teachers. In Colombia, for example, the president appoints the mayor of Bogotá and all of the provincial governors, who in turn appoint all mayors.

By contrast, the constitutions of Latin America's largest countries, Brazil, Mexico and Argentina, embrace a U.S.-style federal system in which provinces elect governors and legislatures, raise taxes and theoretically administer their own affairs.

But fact differs from theory. Salta scrapes together just 28 percent of its annual \$180 million budget, and the rest comes from Buenos Aires. Only five other Argentine provinces raise more money.

Capitals dominate the national life of every major Latin American country except Brazil, where the backland capital of Brasilia was conceived to challenge coastal pre-eminence.

Brasilia, with about a million residents, is the seat of government, but the nation's capitals in everything but name are still Rio de Janeiro and São Paulo, whose combined population approaches 20 million.

Important provincial centers do exist, such as Guadalajara and Monterrey in Mexico, Ciudad Guayana in Venezuela, and Guayaquil in Ecuador. But they usually are pale echoes of the capitals whose policies spawned them.

In Argentina, about 10 million of the 30 million citizens live in and around Buenos Aires. In Chile, nearly half of the population lives in greater Santiago.

In Peru, where decentralization is a major national priority, five million of 19 million inhabitants live in industrial Lima.

## Nicaraguan Rebels Say They Have Soviet Missiles

By Shirley Christian

New York Times Service

TEGUCIGALPA, Honduras — A Nicaraguan rebel leader said this week that the Nicaraguan Democratic Force, the largest of the groups trying to overthrow the government in Managua, had obtained "about 20" portable SAM-7 anti-aircraft missiles, which he said were purchased this year.

Aristides Sánchez, a member of the directorate of the guerrilla group, said in an interview here on Monday that his forces had suffered heavy casualties in several encounters with Soviet-built Mi-24 attack helicopters.

But he said said the insurgents' acquisition of the SAM-7s, surface-to-air missiles also of Soviet manufacture, had made them optimistic about their ability to defend themselves against the Mi-24s.

"Now the Sandinists know that our units travel with SAM-7s and that one of their helicopters can be



Adolfo Calero Portocarrero

hit by a rocket at any moment," Mr. Sánchez said.

Last Thursday, U.S. officials confirmed a report that the Nicaraguan Democratic Force shot down a Soviet-built helicopter with an

SAM-7 missile on Dec. 2, killing 14 military personnel aboard. It is believed to be the first use of such missiles in the Western Hemisphere.

The Nicaraguan government asserted that the rebels had acquired the missiles from the Central Intelligence Agency.

Rebel leaders have said previously that they bought the SAM-7s on the international arms market with money donated by individuals in Europe and Latin America. They have denied that any of their missiles were provided by or manufactured in the United States.

Adolfo Calero Portocarrero, the leader of the Nicaraguan Democratic Force, who has been primarily responsible for arms acquisition since the U.S. Congress ended aid by the CIA last year, said he would not identify the country through which he bought the missiles.

"I would love to be able to reveal

it," he said by telephone in Miami, "because it would surprise a lot of people. But I want to be able to buy there again."

## White House Offers Plan to Save Tax Bill

The Associated Press

WASHINGTON — The Reagan administration and Republican congressional leaders offered a proposal Friday aimed at keeping President Ronald Reagan's tax-rollback plan alive, but they failed to deliver the 50 to 75 Republican votes that Democrats say are necessary to pass the bill.

The bill remained available for the House to consider Monday, giving Mr. Reagan time to seek an additional 17 Republicans willing to vote for a tax plan that he describes as the No. 1 legislative goal of his second term.

Only 14 of the 182 Republicans sided with the president Wednesday when the House refused to consider the bill.

Mr. Reagan has expressed reservations about the changes that the House Ways and Means Committee has made in his original tax plan, but he hopes that the Senate can make the bill more to his liking.

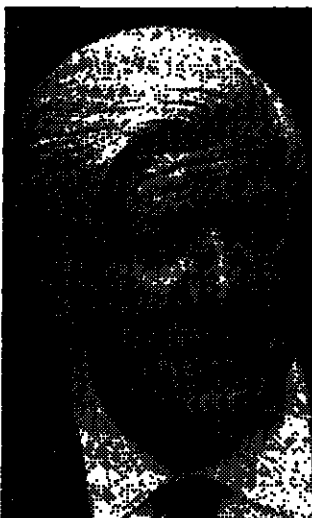
He has said that unless the House passes the bill before it adjourns for the year next week, efforts to achieve a major revision of the nation's 72-year-old tax code may be doomed for years.

Republicans in the House, however, have written their own rival reform bill.

The speaker of the House, Thomas P. O'Neill Jr., Democrat of Massachusetts, emphasized that Democrats would not even discuss asking concessions to Republicans until the president showed that he had the votes to pass a bill.

"As soon as the president informs me personally that he has a 4 of 50 to 75 Republican votes for passage of the bill, we will begin moving ahead with the bipartisan form process," Mr. O'Neill said.

Mr. O'Neill made his comments after listening to Treasury Secretary James A. Baker 3d explain the latest Republican offer, which was embodied by the House Republican minority leader, Robert H. Michel of Illinois.



Thomas P. O'Neill Jr.

At issue is a bill that would make broad changes in the ways American individuals and businesses are taxed. The measure, which was written chiefly by Representative Dan Rostenkowski and other Democrats on the Ways and Means Committee, is reasonably close to what Mr. Reagan recommended to Congress in May.

Under the proposal offered Friday by the Reagan administration and House Republicans, the House would vote on the Ways and Means Committee bill, on a Republican substitute and on a new Republican amendment. The amendment includes a \$2,000-per-person pre-tax exemption, as favored by Mr. Reagan.

During negotiations Thursday, Democratic leaders insisted that they would not permit such an amendment to be considered. They argued that if the Republicans were allowed to vote on that proposal, they also would demand other amendments, including many that were rejected by the committee when it wrote the bill.

## U.S. Lawmakers Say Budget Bill Shifts Power

(Continued from Page 1)

that met its own goals, a series of budget reductions would automatically go into effect.

The legal challenge to the bill used mainly on this question of automatic reductions. The decision put these cuts into effect is left to the government agencies, which are required to decide whether to agree, in fact, met its self-reducing goals.

The lawsuit argued that this procedure amounted to an illegal delegation of congressional authority.

What we really did is turn the 'get over to a bunch of unelected bureaucrats," Mr. Synar said.

In addition, the suit argued that the bill violated a recent Supreme Court decision that said Congress

can take a formal action in only one way: it must pass a bill through both houses and present it to the president for his signature. The automatic features of the budget bill, goes the argument, do not conform to this principle.

For instance, many federal programs now include annual cost-of-living increases for beneficiaries established by law. If the automatic budget cuts went into effect, those increases could be limited, or eliminated, even though Congress did not specifically pass a law to that effect.

"It takes a law to repeal a law," said Mr. Synar, a member of the Judiciary Committee.

If the automatic provisions of the bill are ruled unconstitutional, the measure has provided for an

alternative process. Both houses of Congress would have to adopt a law, and the president would have to sign it, that declared the legislature's failure to meet its own goals and specifically puts the across-the-board budget cuts into place.

Another question is a more practical one. The original version of the new budget procedure would have given the president wide discretion in how the automatic spending cuts would be made. This was changed in negotiations, and now the president serves a largely "ministerial function," with little latitude in making the cuts.

Still, the president would have some discretion, particularly in the military area, and some legislators called this clause "an extremely dangerous step."

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# Herald Tribune

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## The Balanced-Budget Box

The Gramm-Rudman budget amendment, now signed into law, is the wrong way to allocate public funds, a sign of impotence, an effort to deceive, an abdication of responsibility — and we welcome it. The measure embraces the goal of a balanced budget by 1991 and sets up a process whereby, if the president and the Congress fail to reach deficit targets each year, a sturdy robot will supposedly do it for them. A little over half the budget would be exempt; the rest would be cut in lockstep.

There is no question that the amendment is a dodge. One need only look at the bill to which it was attached: a piece of necessary legislation to raise the debt ceiling beyond \$2 trillion for the first time so that the Treasury can continue to borrow to cover the deficits of the last five years. If there were a true disposition to deal with the deficit, the president and members of the Congress could have done that instead of this, which puts off the hard part.

There is no question, either, that next year they will try to put off the hard part again. They always do; they already are trying. There is talk that the reconciliation bill making cuts in domestic programs to conform to this year's budget resolution (it would reduce the deficit by \$20 billion) may be set aside in the rush to adjourn. The president has threatened to veto it anyway, since it contains tax increases, and when the Congress reconvenes, the Gramm-Rudman process will be in place to fall back on. Thus the leaders comfort themselves.

It is true that the Gramm-Rudman must act, if it ever does fall, will have mowed chaotic and in some cases even counterproductive effects, saving in the short term only to cost

more in the long. Defense will suffer, but so will the other targets, the so-called discretionary domestic programs that are subject to the annual appropriations process. Aid to education, highway funds, small business and environmental programs, support for state and local governments — all would be cut.

Still, we think it is a good idea. You know a proposition partly by its enemies. As finally written, this was opposed most vigorously by those whose victories in the first five Reagan years are the very reason the deficit is now so high, the chief protectors of the first term's tax cuts and defense increases. The Gramm-Rudman amendment does this: For the first time in the Reagan administration it says to the president that he cannot have it all. It is meant to force him finally either to cut military spending (which the Congress has curbed) or find the taxes to pay for it.

Opponents have worried that the amendment will transfer power to the president. On the contrary. He continues to say as he fancifully has for five years that there is another way to bring down the deficit — through cuts in domestic spending. But he has concurred in exempting from any cuts the largest domestic program, Social Security, and the Democrats now have civilized the Gramm-Rudman amendment by exempting the less costly programs that help sustain the poor. There is not enough left on the domestic side to cut.

The administration gambled when it first endorsed this amendment. Reagan aides may have thought the Congress would back off. Instead, it built a box for him — and for itself.

— THE WASHINGTON POST.

## Hold Marcos to His Pledge

Judging only by the big print, there is hopeful news from the Philippines. President Ferdinand Marcos may lose the snap election he has been forced to call for Feb. 7. Hours before the filing deadline, a bickering opposition agreed to a single slate, teaming the personable but untested Corason Aquino with the seasoned but wily Salvador Laurel.

The opposition leaders differ on vital matters. But so do Mr. Marcos and his new running mate, former Foreign Minister Arturo Tolentino, who has even questioned the legality of the vote. Thus, even if Mr. Marcos wins, fairly or not, he has at least felt it necessary to pass over his wife, Imelda, in naming a constitutional successor.

But there is the fine print. Mr. Marcos can legally switch running mates before the vote, a contingency Mr. Tolentino does not rule out. And if Mr. Marcos finds the campaign going against him, it could conveniently be found unconstitutional by his Supreme Court.

The Constitution provides for special elections if the president dies, resigns or is impeached. To bypass that law and to cling to the advantages of incumbency, Mr. Marcos has "resigned" prospectively — saying he will "irrevocably vacate" his office after the voting. Many Filipinos, including Mr. Tolentino, find that legally unconvincing. But who decides? The same judiciary that has just cleared Mr. Marcos's soldiers of any complicity in the 1983 assassination of Benigno Aquino. The presi-

dent's Supreme Court will most surely be following the campaign news.

Also following the news — and probably rooting for Mr. Marcos — is the New People's Army, a Communist insurgency that has flourished under his misrule. Some estimate its size as high as 30,000, and detect among its leaders a fanaticism resembling Pol Pot's in Cambodia. The NPA is incontestably home-grown, and wins converts in a predominantly Roman Catholic country by centering its attack on the "U.S.-Marcos dictatorship."

A Communist victory is by no means likely in a former colony tied to the United States by a shared language and legal tradition. But those ties are not proof against the revolution inspired by a discredited regime. Americans cannot directly dislodge Mr. Marcos from power. Nor can they directly inspire the opposition, drawn from the same elite that supports Mr. Marcos. But Washington can press for an honest campaign and an end to the corrupt uses of its military aid.

Most tangibly at risk are two vital U.S. installations, Clark Air Base and Subic Bay Naval Base, for which Mr. Marcos has requested generous reasons in successive leases. The best security for those bases is also what would be best for the Philippines: a democratic deliverance in Manila. To that end, Americans should use every reasonable means to hold Mr. Marcos to his big-print pledges.

— THE NEW YORK TIMES.

## Panama's 'Beheading'

According to a report from the police in Ciudad Neily, Costa Rica, witnesses last saw Dr. Hugo Spadafora alive reading a newspaper at a Panamanian National Guard border checkpoint, where he was being detained after having been removed from a bus, about noon on Sept. 13. The next person the Costa Rican police could find who had seen him was the young man who found his body, "completely decapitated," in the Vaguita River just across the border from Panama the next afternoon.

Dr. Spadafora was known, among other things, for having formed a battalion in Panama to fight against the Somoza family in Nicaragua. He was also known for being a keen critic of, among other things, the alleged drug trafficking connections of General Manuel Antonio Noriega, who as commander of Panama's National Defense Forces is the country's strongman.

The murder stunned Panama, which is not one of those Central American places where the killing, let alone the evident torture and beheading, of critics is routine. In an important sense, however, Mr. Spadafora was not the only victim. There is reason to believe that the elected president, Nicolás Ardito Barletta, was planning to launch an inquiry into the crime upon his return from a trip to the United Nations in October. While he was still in New York, General Noriega forced his ouster; actually, Mr. Barletta, struggling to maintain a

thread of constitutionality, "separated" himself from office under an obscure article and technically remains president.

The story was put out that the Barletta economic policies were largely to blame, but knowledgeable Panamanians look more to the Spadafora affair. Panama's painful progress toward democracy was thus "beheaded" too. In Panama, the atmosphere reeks of police intimidation, but large numbers of citizens have come out in the streets calling peacefully for an inquiry into the Spadafora murder. Meanwhile, the armed forces are bringing under their control a whole range of functions — ports, railroads, customs, immigration — previously and more properly under civil administration. The Barletta economic policy, which had been sanctioned by the political parties, threatens to go by the boards, with immense potential costs to the country's economic viability and credit-worthiness.

General Noriega is well known in Panama. He is becoming well known outside Panama as an imperial leader who fears to let independent investigators examine the Spadafora affair and to let independent citizens control their government. Almost every country in Latin America is going the democratic way except Nicaragua and Panama. General Noriega is an embarrassment to his country, and to the integrity of the Panamanian armed forces.

— THE WASHINGTON POST.

## FROM OUR DEC. 14 PAGES, 75 AND 50 YEARS AGO

**1910: West End Chorus Girls on Leave**  
LONDON — Forty choir boys have supplanted the gay and festive chorus girls for which the West End's Gaiety Theatre has been world famous for two decades. In its place is a school-boy play, with only two female characters in the cast. And forty boys. No more do staid stage-door "Johnnies" send diamonds and flowers up to the dressing rooms. No longer is there a line of 40-horse-power automobiles waiting to pick up the footlight favorites. All this has come about because George Edwards has leased his theatre for a few weeks to Frederick Mouillot, who is giving a comedy of English boarding-school life. The rosy-checked choir boys are only allowed to sing once as the curtain goes up on the final act. They almost saved that final act.

**1935: War Debtors' Sombre Regrets**  
WASHINGTON — The semi-annual parade of grave-faced diplomats bringing to the State Department regrets on the eve of Dec. 15 war debt payment date has been resumed. The "diplomatic comedy" started when the United States a month ago informed the 14 debtor nations it was "willing" to hear proposals for resumption of payments. This was followed by a prolonged study over an answer. Now formal notes are being presented professing appreciation of the reminder. These said that conditions have changed insufficiently, but that the debtor nations will be glad to resume discussions whenever hope of a satisfactory result is warranted. By Dec. 16, the total overdue [will be] \$1 billion. Finland, as usual, is getting favorable editorial comment as the only payer.

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# For Marcos, Facing a United Opposition, No Way to Win?

By Guy Sacerdoti

MANILA — The eleventh-hour compromise between the Philippine opposition leaders Corason Aquino and Salvador Laurel, resulting in a united ticket for the Feb. 7 election, confronts President Ferdinand Marcos with his toughest electoral battle in 20 years.

Mr. Marcos called the election on the assumption that his heretofore fragmented opposition would be incapable of uniting against him. He hoped to prove to critics both here and in the United States that he remains the country's only viable leader, that only he would be able to reestablish his government's political legitimacy, to curtail a growing Communist insurgency and to turn around an economy in crisis.

The fact of a united Aquino-Laurel ticket, however, puts Mr. Marcos in a virtual no-win situation for the first time in his 20-year rule. If he calls off the elections now (the Marcos-dominated Supreme Court is expected to rule soon on the constitutionality of the unscheduled election), he will be pictured as an isolated dictator afraid of his own people. If he legitimately wins what is expected to be a close election, inevitable charges of electoral fraud will undermine his claim for a new six-year mandate. And if he is outpolled and forced to cheat on a large scale, he will be pictured as trying to save a corrupt regime.

In fact, with a united opposition, any scenario that has Mr. Marcos remaining in power will do nothing to

rebuild the public confidence needed to end 30 months of dissent and political uncertainty. For that, the elections will only show what many foreign observers fear and many Filipinos take for granted: that reform is anathema to Mr. Marcos.

Few analysts believe that Mr. Marcos, 68, will ever leave Malacañang Palace alive, least of all to vacate for the widow of his former rival, Benigno S. Aquino Jr., who was assassinated at Manila Airport in Aug. 21, 1983. But more than anything else, "Cory" Aquino's candidacy has put Mr. Marcos in this predicament.

For while few doubt the political brilliance of Mr. Marcos, the master of Philippine politics has so far found it difficult to deal with this 52-year-old former housewife who has presented herself as a moral force standing above the political fray.

Since her husband's assassination, Cory Aquino has become a symbol. More than picking up "Ninoy" Aquino's thwarted attempts to promote national reconciliation, she has come to represent the honesty, simplicity and religious commitment that are the traits of the people of this 85-percent Roman Catholic nation.

While politics is a Philippines national pastime, she is a reluctant politician. While candidates have an answer to everything, she will answer otherwise when she has none. She speaks in terms of justice, not ven-

geance, of prayer instead of power. And yet she is intelligent enough to juggle the petty political deals in building a unified ticket without diluting the primacy of her cause.

For Cory Aquino is far more an anti-Marcos than a pro-Aquino candidate. Her chances of actually beating the Marcos machine lie in a rather

to respond to personal distastes, bringing her down into traditional Filipino political mudslinging.

Just as important will be the role of the Catholic Church, led by the effervescent archbishop of Manila, Cardinal Jaime Sin. His role cannot be underestimated. As perhaps the only nationwide institution that Mr. Marcos has been unable to co-opt, the church has nonetheless felt its stature as the key to social stability undermined during the president's relentless drive to centralize and maintain power.

In the pre-Marcos era of a more pluralistic political system, the church (much like the role of the king in Thai politics) set the popular psychological parameters within which the political game could be played. It obviously would like to see that role returned. And with Mrs. Aquino (a personal friend of the cardinal) as a candidate, priests can quietly support her moral stand in weekly sermons.

In the face of almost unlimited administration funds available for the government's campaign and the traditional political largesse of Mr. Marcos's New Society Movement party, the church can say, as it did during National Assembly elections of May 1984, that accepting money to attend rallies is no sin, as long as one votes his or her conscience.

Cardinal Sin played a major role in building the unified opposition ticket. Returning from the synod in

Rome at the end of November, he found Mrs. Aquino trying desperately to work out a united coalition. Mr. Laurel was steadfast in his belief that with his United Nationalist Democratic Organization, or UNIDO, having the strongest grass-roots political machine, he would be the best bet to challenge Mr. Marcos.

Cardinal Sin met separately several times with both Mrs. Aquino and Mr. Laurel, in essence backing her stand as the moral alternative but emphasizing to both the need to break the impasse for the national good.

The Aquino-Laurel slate will not be without problems. Most difficult will be melding the two organizations, both dominated by their respective families, into a campaign with similar thrusts. Mrs. Aquino's major concession to Mr. Laurel was to run under the UNIDO banner. But it is likely that her PDP-Laban coalition supporters will want to campaign with their own party structures in areas where they are strongest.

At the same time they will have to counter the presence on the Marcos ticket of former Foreign Minister Arturo M. Tolentino, 73, chosen as the president's running mate. Mr. Tolentino was dropped from the cabinet last March after publicly criticizing Mr. Marcos's policies. The Marcos strategy in picking a critic as his vice president seems clear. He will appear tolerant of criticism and amenable to reforms demanded by the opposition, while taking advantage of Mr. Tolentino's vote-getting appeal, particularly in Manila, where the opposition is especially strong.

As the election date nears, the critical factor may be whether the opposition can stay united. Opposition analysts now say they expect to win by a 3-2 margin, an estimate even some high government officials do not see as unreasonable. But, as one analyst said, "given 10 percent for cheating, it will be touch and go."

While Mr. Marcos probably will have contingency plans for retaining his presidency, it is more probable that his "master stroke" of calling early elections will result in yet another presidential embarrassment.

The writer, Manila correspondent for the Far East Economic Review, contributed this column to the Los Angeles Times.

## In Austria, A Shadow On the Snow

By David Hermges

VIENNA — The local image of Austria has been tarnished for them this Christmas season. The cozy vision of an Alpine country, clothed in spotless snow, with cheerful natives quaffing Glühwein, is becoming more difficult to maintain. The snow has fallen on cue, yet here in the capital it is anything but pristine white; and the wine, well, the less said the better, especially now that a new scandal has appeared. (The latest addition, found in hun-

### LETTER FROM VIENNA

drecks of vintages, is sodium azide, which is potentially toxic and is used as an explosive; newspaper cartoonists are having a field day.)

What has really thrown the Advent scene into disarray, though, and has given the man in the street a chance to vent his wrath against "those at the top," is the news from Linz.

West-Alpine AG, often described as Austria's industrial flagship, has run aground. If it were not a nationalized enterprise it would be doomed. The losses expected this year by the unwieldy giant — it employs 70,000 people in the steel, engineering and electronics sectors — are frightening, on the order of 4.2 billion schillings (\$232 million). Only a huge injection of capital from its owner, the Republic of Austria, (otherwise identifiable as Johann G. Tschopp), has kept the vessel afloat. The captain and all his bridge officers have had to go overboard. Heribert Apfalter, Vost's director-general, resigned Nov. 26, along with the company's directors.

By Austrian standards the debacle is so huge that the country's economic structure may never be the same. Much of the disaster can be attributed to the acquisition of Intertrading, a Vost subsidiary. Intertrading was set up to make countertrade arrangements for Vost products and services. Quickly, however, it found itself embroiled in switch-deals involving tanker loads of crude oil that certain Middle Eastern and African countries wanted to use for payment, to sidestep their OPEC quotas.

For a while all was well. But early this year oil prices began to fall, leaving Intertrading with heavy forward commitments. Traders appear to have panicked. Wild speculation ensued. It was like a roulette player who stakes his shirt on a roulette wheel and loses it. At this point the minister for nationalized industries, Ferdinand Lacina, stepped in with "Rien ne va plus!" Everything, he said, must be turned around within three years; the books must be balanced.

He announced that strict legislation would be implemented to give added incentives to managers whose nationalized enterprises showed a profit. Conversely, those who slipped into the red would suffer financial consequences and, most painfully, would have their pensions cut.

The rights and wrongs of this procedure are being hotly discussed in Austria, where the inviolability of state-owned enterprises (including the major banks) has always been taken for granted. That the socialist sector could benefit from observance of such a capitalist concept as profit-and-loss has come as a shock to the average Austrian as he pulls out his skis and heads for the mountains to get away from it all.

International Herald Tribune.

## The Pros Know: In Espionage, It's a Jungle Out There

By Philip Geyelin

WASHINGTON — Presidents and political leaders seem to talk down to the people about the delicate, disagreeable and dangerous game of international espionage. Keep it simple is the rule: There are good guys, bad guys and much you should not trouble yourself about.

Old pros in the intelligence trade — and I am talking about real spies, not the high-technology types — talk differently. They talk cynically, up front. Knowing it's a jungle out there, they do not confuse espionage with crime in the streets.

The two kinds of talk we have been hearing about the recent rash of spy cases, and particularly the one involving Israel, are a perfect illustration of why, if you want a rounded view, it is a good idea to stick with the professionals.

In his recent radio address on the subject, for example, President Reagan dwelt on the threat to the West from a growing swarm of KGB agents working in the United States and around the world for the Soviet Union and its satellites.

"There is no reason to sugarcoat reality," the president said, adding, "The Free World is today confronted with some of the most sophisticated, best orchestrated efforts of theft and espionage in modern history."

True enough. But when the president promises to "root out and prosecute the spies of any nation," and insists, "we will let the chips fall where they may" — and still cannot bear to

mention the Israeli case — he is not just sugarcoating; he is harming public understanding.

The same may be said for the arguments we are getting from Israel's best friends in America: That the case of Jonathan Jay Pollard is the work of irresponsible, overzealous underlings. "We can straighten this out in no time," Senator Daniel Patrick Moynihan, a New York Democrat, said the other day.

If so, why did it take the Israeli government a full week to clear its throat before issuing an apology "to the extent that" spying on the United States "did take place"? Why did even that non-apology have to be negotiated by the U.S. secretary of state?

You might have thought that when Mr. Pollard, a U.S. Navy intelligence analyst, allegedly offered to sell U.S. military secrets to Israel, the Israelis would have warned their good American friends about a serious threat to U.S. security instead of apparently exploiting it for their own purposes. But that would not be in the nature of the U.S.-Israeli relationship, nor in the nature of the espionage games even friendly nations play.

The United States and Israel cooperate on intelligence matters up to a point. The United States holds back things that would threaten relations with its Arab friends in the region. The beleaguered Israeli venture off from time to time without the slightest sense of obligation to counsel with Washington in advance.

Which brings us back to the professionals and the it's-a-jungle-out-there theory of the case. The old hands take it for granted that Israel conducts intelligence operations in the United States. They assume as well that after assorted surprises — the 1956 Suez war, the Israeli bombings of Iraq and Tunisia, and the full scale of Israel's war in Lebanon — the United States has been doing its own intelligence checking on Israel.

And yet when they say so out loud — well, consider the reaction recently when a former director of Central Intelligence, Richard Helms, did just that. He said that "the only sin in espionage is getting caught."

Asked on a Sunday talk show whether America could conceivably be spying on its NATO allies, he said: "I hope so. Espionage is not played by the Marquis of Queensberry rules."

Well, you could have knocked ABC's Sam Donaldson over with a classified document. If the only crime was being caught, why have espionage laws? By that standard, Mr. Donaldson pressed on, we might as well cheat on our income taxes as long as we don't get caught.

Mr. Helms struggled in vain to explain the difference between taxes and espionage. He tried to explain that the subtleties and just plain law-breaking involved in intelligence and counterintelligence activities are not so much a matter of cops-and-robbers as of damage limitation. But the espionage struggle in the shadows, between friends as well as adversaries around the world, is not a subject that lends itself to Sunday talk shows or to presidential radio chats.

Washington Post Writers Group.

## The Fight Over Morality, Birthrates and Survival

By Flora Lewis

WASHINGTON — A federal appeals court here has made a foreign policy decision on a technicality that highlights the peculiar means some conservatives are using to force their view of morality on the rest of the world.

The court ruled that the U.S. Agency for International Development may release to certain countries a total of \$10 million that it had withdrawn from the United Nations Fund for Population Activities. Western Formos, president of the Washington-based Population Institute, had sued to freeze the money in an effort to restore it to the important United Nations agency.

What all this legal wrangling is really about is abortion and sterilization in countries struggling against explosive birthrates that menace not only their own hopes for the future but the fate of the world. Specifically, it is about the charge that China forces some people to undergo these operations, or offers them financial incentives to do so.

Evidence that China does this was not even offered, but the administration position was that it is up to China to prove it has punished anybody who has forced such an "abuse" on its citizens. Nor is there evidence that the administration really wants to poke into China's one-family, one-child program, or its legal system.

A remarkable letter from President Reagan to Senator Jesse Helms, dated Oct. 6, explains the political trade-off that Mr. Helms extracted. The "Dear Sen. Helms" letter starts off saying how much the president wanted confirmation of Winston Lord as U.S. ambassador to China. Then it switches to a lengthy assurance that China will not get any American funds through the UN program to help its population control efforts.

Then it repeats the urgency of speeding Mr. Lord to Beijing, where he now has taken up his assignment.

The connection is not drawn explicitly, but it is perfectly obvious. It is also obvious that by holding up dozens of diplomatic confirmations until he got his way, and threatening to do it again, Mr. Helms has owed the State Department into an embarrassing and counterproductive stand.

The \$10 million that China was receiving was a drop in the bucket compared with the \$1 billion it spends to try to stabilize its population at a projected 1.3 billion by the year 2000. But it was an important symbol of U.S. support for an increasingly difficult national effort, and the prohibition was an insult.

It is ironic that the United States will not take China's word on the population control measures that it uses, but accepts more dubious assurances that China will not allow billions of U.S. dollars in nuclear technology aid to seep out and thwart efforts at nuclear nonproliferation.

But it is even more hypocritical to cut off birth-control support in the name of U.S.-legislated definition of morality in a world of spreading famine and strained resources. This is a mouth rice, alongside the arms race, because there is no way economic development can keep up with unlimited demographic growth in most of the poor countries.

The choice is between "natural" population control — Malthusian tragedy — and human responsibility. As Werner Formos notes, undermining the UN fund will make only a token difference to China. But it will really hurt to a hundred other countries that are just beginning to understand that age-old attitudes

mean disaster in the world's new circumstances. The dominant moral view in Africa had been that more people mean more power, and the only way to catch up with better-off countries was to outnumber them.

At present rates, by the middle of the 21st century Nigeria will have the population that China has now, and Kenya twice the present U.S. population.

There are many more factors in breaking population growth than birth control — education, better health care, better agricultural policies. But there has to be recognition that the number of people in the world and how they live are directly related.

Until about a century and a half ago, the world population had been almost stable over two millennia. The biblical injunction to reproduce was needed to assure human survival.

Now science has changed the survival question, requiring human care to protect nature's ability to support our numbers.

It is incredible that a privileged group in the United States should presume to punish others trying to face this dilemma, and in the name of morality. Survival remains the issue, though in different terms. Senator Helms's dictated position is not only bad policy, it is immoral in the most profound human sense.

The New York Times.

## LETTERS TO THE EDITOR

### How to Nail SDI

In response to "Britain Joins in SDI Program; First Ally to Accept U.S. Offer" (Dec. 7):

The old caricature of Uncle Sam with an idiot's grin mindlessly doling out money for idiot schemes must now be replaced by a snake oil salesman peddling his wares to gullible allies led by John Bull.

Britain's own Arthur C. Clarke, in "1984 Spring," points out the absurdity of these "orbital mirrors" and "space-based electromagnetic devices" mentioned in this report. The billion-dollar satellites, no matter how fierce, can be destroyed by means so simple that it is a wonder their use is even contemplated.

According to Mr. Clarke, it is only necessary to place a keg of nails in the same orbit, but traveling in the opposite direction. The nails eventually would collide — at 25,000 mph — with the space mirror, rail gun, so-

phisticated computer, whatever, turning it instantly to scrap.

BEN LANE, Solent, Sweden.

In conjunction with a horrifying range of weapons in the U.S. arsenal — including MX, Pershing-2 and cruise missiles and Trident submarines — "star wars" is intended to gain a first-strike advantage over the Soviet Union. In addition to costing billions of dollars, it is bringing us closer to nuclear holocaust.

HANS STUDDER, Leuzburg, Switzerland.

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## Copy Case Seen to Affect Sharing of Intelligence by U.S., Israel

By David K. Shipler

WASHINGTON — The United States has reduced its sharing of intelligence information with Israel since Jonathan Jay Pollard, a former civilian intelligence analyst for the U.S. Navy, was arrested Nov. 10 on charges of espionage, according to a senior Defense Department official.

The senior Pentagon official, Richard L. Armitage, assistant secretary for international security affairs, said Thursday in an interview that a reevaluation of intelligence relations would be in order until the American public is satisfied with the handling of the case.

"In some areas," Mr. Armitage said, "there has been a slowdown in intelligence cooperation — not in all areas. And we're waiting the results of the Pollard fact-finding investigation."

Mr. Armitage said U.S. officials want that "full cooperation will be forthcoming" in accordance with a statement to that effect by the Minister Shimon Peres.

Mr. Peres has apologized to the United States, has portrayed the operation as independent of his main intelligence agencies, and has pledged to help American investigators. This approach has won criticism from some Israelis

who say it will undermine other espionage efforts, and the degree of Israeli cooperation has to become clear yet.

The team of American officials, led by Abraham D. Sofaer, the State Department legal adviser, was reported to have begun meetings Thursday with officials in Israel who are said to have received stolen documents from Mr. Pollard.

The U.S. team is understood to be concentrating on two areas of inquiry: first, to determine whether this was an isolated case or part of a broader Israeli spy network in the United States; and second, to make what one official called "a damage assessment" that will detail what information Mr. Pollard's documents provided.

The United States has asked for the return of all the documents, but it was not known whether Israel will comply.

Although Mr. Armitage stopped short of linking stalled American sharing of intelligence to Israeli cooperation in the Pollard case, the anger and resentment expressed in various government agencies suggest to some officials that in the short term, at least, relations will depend on the information Israel gives to the American investigators.

Some of the reduction in the sharing of intelligence has been a natural and natural development, one American official explained,

which resulted when Israeli officials refrained from their usual meetings and contacts with Americans because they were embarrassed by the Pollard affair.

Shortly after the arrest, for example, two Israeli generals — Ehud Barak, head of military intelligence, and Amos Lapidot, commander of the air force — reportedly canceled a scheduled visit to Washington. They are to make the trip later, at a date not yet set, an official said.

Some of the inhibitions may derive from a message being driven home in the government that an official who conveys classified information to Israel without formal authorization is committing espionage, even if he does it without pay.

"I think there is a deplorable amount of that," said one high-ranking official. "Any individual who sees Israeli and U.S. interests as parallel is dead wrong."

Officials say the Pollard case has helped to create a new atmosphere of toughness in the counterintelligence field that they believe could throw a chill into some of the informal Israeli-American relationships.

In the past the two countries have shared a broad range of information, especially on terrorism, electronics countermeasures and weapons systems.

**Export Law Violation Probed**  
Meanwhile, government officials said Thursday they are investigating the possible illegal export to Israel of plans and technology for making tank cannon barrels. The New York Times reported.

Frederick Scullin Jr., the U.S. attorney in Albany, New York, said in a statement that customs agents had raided factories owned by three companies in Connecticut, Pennsylvania, and New Jersey in search of evidence in the case.

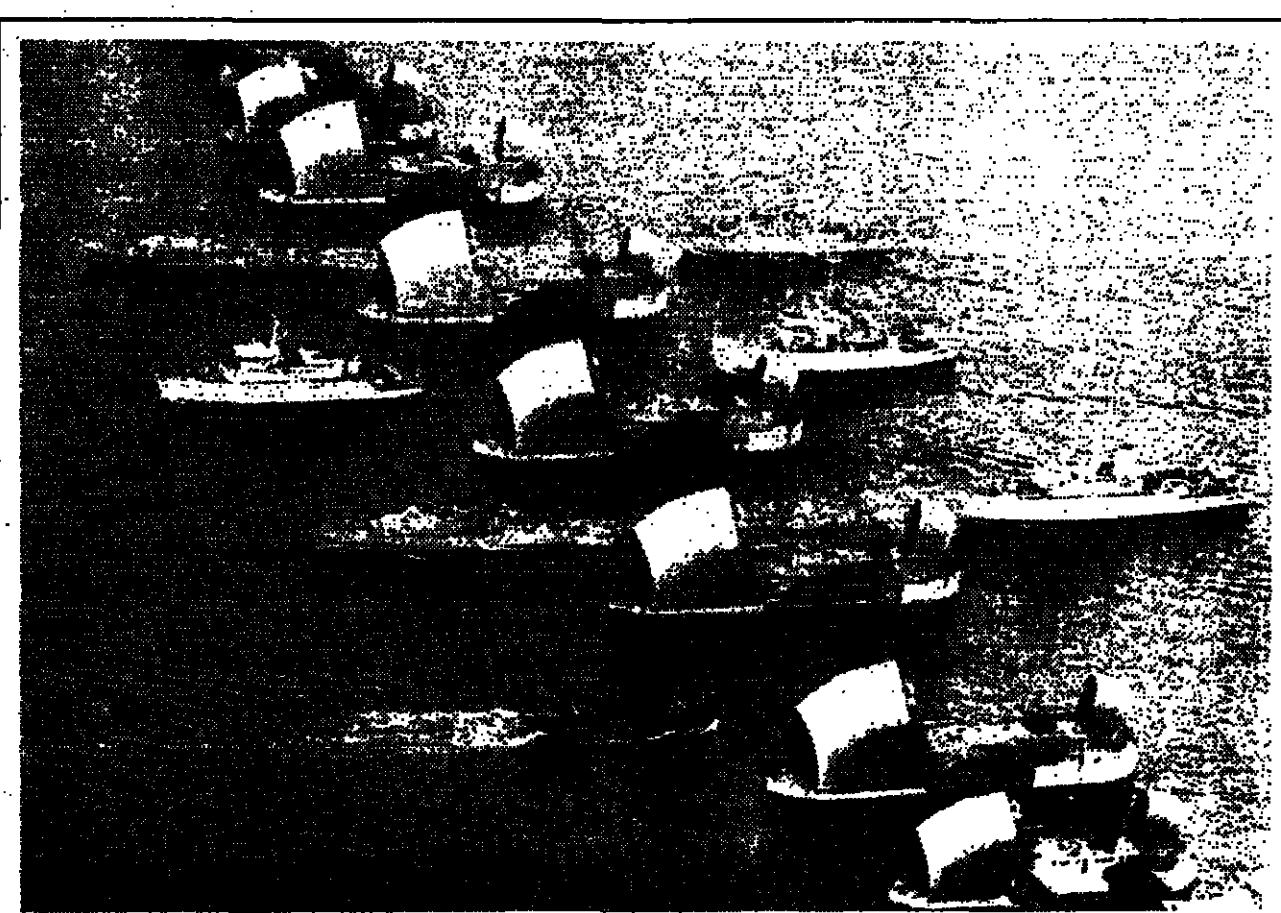
A spokesman for the Israeli Embassy, Asher Naim, denied Thursday night that the government of Israel had participated in any violation of export laws.

"Maybe somebody at one of these companies did not fill out a form," he said. "But it is not accurate to say we connived to steal something. It does not work that way." He said that all Israeli military procurement from the United States was done through the Pentagon and with its approval.

### What's in an Acronym? Ask Workers for SIDA

STOCKHOLM — The Swedish International Development Agency, which has the acronym SIDA, is to change its name to the Swedish Office for International Aid, with the acronym SOIA, because of associations with a lethal disease.

Workers for the government-financed agency discovered the problem when Stockholm sent a consignment of T-shirts with the printed slogan "SIDA c'est moi" — "SIDA that's me" — to Swedish aid workers in Francophone Africa. Swedish officials then discovered the initials also stood for *sindrome immuno deficiente acquis*, or AIDS in English.



FLOTILLA — Minesweepers from North Atlantic Treaty Organization countries passed Thursday through the Thames Barrier, commissioned in 1983 to protect London from flooding, on a visit to the British capital.

## Shultz Says European Allies Value Security Over Arms-Control Accord

By John M. Goshko

BRUSSELS — Secretary of State George P. Shultz said Friday that European allies of the United States, while anxious for a U.S.-Soviet arms control agreement, did not want accords "that are made at the expense of Western security or Western values."

"There's no pressure for that at all," Mr. Shultz said after West European foreign ministers told him that Western public opinion expected concrete steps toward arms control at the next U.S.-Soviet summit meeting, expected during 1986.

At a news conference concluding the annual year-end North Atlantic Treaty Organization foreign ministers' meeting, Mr. Shultz focused on European hopes that U.S.-Soviet arms talks in Geneva would produce an agreement reducing or limiting the number of U.S. and Soviet medium-range missiles based in Europe.

Several Europeans, including Sir Geoffrey Howe of Britain and Hans-Dietrich Genscher of West Germany, stressed Thursday that a new meeting between President Ronald Reagan and the Soviet leader, Mikhail S. Gorbachev, must produce more specific results than was the case at their Geneva meeting last month.

"You can be sure that the United States will be bending every effort to find a good agreement if there is such an agreement to be found," Mr. Shultz said. "Whether anything will be agreed remains to be seen. We will search hard for any good agreement that is possible."

But, he added, "we will not be

put in the position where some deadline or the prospect of some meeting will cause us to agree to something we don't think is in our interest. We assume the Soviet Union would feel similarly on that."

The Geneva arms talks involve three areas: intercontinental nuclear missiles, medium-range missiles and outer space weapons. But it is the medium-range area that has attracted the most European attention.

"I recognize that people want that," Mr. Shultz said in reference to European calls for an interim agreement on medium-range missiles when Mr. Gorbachev and Mr. Reagan meet again.

"We all want it," Mr. Shultz said. "But I believe also people want us to be realistic, and I don't think our public here or in the United States want the United States to make agreements that are at the expense of Western security or Western values."

In the section of the meeting's communiqué dealing with arms control, the ministers put NATO on record as saying, "We strongly support U.S. efforts in all three areas of negotiation."

### Pershings Deployed

William Drazdak of The Washington Post reported from Bonn: West Germany said Friday that the U.S. Army has completed the deployment of the 108 Pershing-2 missiles on its territory.

Defense Ministry officials said that the 56th Field Artillery Brigade was now equipped with 36 single-warhead Pershing-2 missiles at three sites near the towns of Mülhagen, Heilbronn and Neulm in southwest Germany.

The missile deliveries were halted in January after three U.S. soldiers burned to death in a fire while unloading components from a shipping container.

An army investigation concluded that a rocket motor, packed with solid fuel, ignited from static electricity and caused a flash fire. Deployment resumed only after the missiles and their transporters were modified to prevent a recurrence of the fire.

The final Pershing installations mean that NATO has based a total of 140 medium-range launchers in Western Europe to counter the Soviet arsenal of SS-20 missiles.

Britain, Italy and Belgium have already stationed 32 cruise missile launchers on their territory. Each cruise launcher carries four missiles. The Netherlands has agreed to take another 48.

### Gorbachev on SS-20s

Mr. Gorbachev has said that the Soviet Union "kept its promise" to dismantle launchers for SS-20 missiles in Soviet Europe that he said were withdrawn from standby alert two months ago. The Associated Press reported from Moscow.

Mr. Gorbachev made the comment in a meeting Thursday with Louis Mermaz, president of the French National Assembly.

During a visit to Paris in October, Mr. Gorbachev said that the Soviet Union had removed the missiles that had been deployed on its European territory since June 1984.

The Soviet Union said the missiles were placed in response to NATO's deployment of Pershing-2 and cruise missiles in Western Europe and were in addition to 243 triple-warhead SS-20s already deployed west of the Ural Mountains.

## Russian Ends Visit to China

(Continued from Page 1)

fort to reduce tensions. The Afghanistan and Cambodia issues would be more difficult to solve.

Western diplomats, meanwhile, said they were baffled by China's intense reaction to the recent arrest of a Chinese research scholar in Berkeley, California.

According to the U.S. State Department, campus policemen arrested the student on Nov. 18 for allegedly peeping into a girls' dormitory. They later acknowledged their mistake.

The Chinese government says the police beat the student, but the local authorities said they believed that no more force was used than was necessary to get him to the police station. The State Department expressed regret to the Chinese that the campus police had not informed China's consulate general in San Francisco.

On Wednesday, a Chinese Foreign Ministry spokesman called it "a grave incident, which constitutes a violation of personal freedom and the safety of Chinese nationals in the United States."

He also criticized continuing Western restrictions on transfers of high technology to China as well as the U.S. Senate's approval on Dec. 9 of a draft proposal that he said made "unreasonable demands" for unilateral changes in the newly signed U.S.-China nuclear cooperation agreement.

Yet another spokesman voiced concern over a proposed U.S. textiles quota bill.

Diplomats said that this list of complaints, which was given great prominence in the Chinese press Thursday, constituted a record airing of differences at a time when they thought U.S.-China relations were steadily moving forward.

## South Africa Bans Book By Winnie Mandela

Reuters

CAPE TOWN — South Africa has banned a book by Winnie Mandela, the black nationalist, according to the latest list of censored material published Friday.

"Part of My Soul," by Mrs. Mandela, wife of Nelson Mandela, the imprisoned leader of the banned African National Congress, presumably falls into the category of "undesirable" because she has been banned since 1976 and cannot legally be quoted in South Africa.

Banning people is a South African method of silencing political dissent. Under the order, Mrs. Mandela has been banished to internal exile near the remote town of Brandfort. She is prohibited from meeting with more than one person at a time and from addressing public gatherings.

The book ban makes it illegal to possess a copy in South Africa.

In Johannesburg, meanwhile, South African radio accused President Ronald Reagan of hypocrisy for denouncing apartheid in a speech on Human Rights Day.

"The United States associates and trades freely with countries curtailing democratic freedoms and even with those actively working for America's downfall," the South African Broadcasting Corp. said in a commentary reflecting government views. "To many South Africans this is nothing short of sheer hypocrisy."

Mr. Reagan imposed limited economic sanctions against South Africa in October after lobbying by anti-apartheid groups.

In his speech Tuesday, Mr. Reagan mentioned rights abuses in several countries. But his condemnation of South Africa was especially harsh. He described the official policy of apartheid as "abhorrent."

The commentary said that Mr. Reagan "mentioned other countries whose human rights records left much to be desired, but there was not a word about what they should do to set the matter straight."

### Danes Vote to End Trade

The Danish parliament, dominated by leftists, voted Friday to cut off all trade with South Africa as soon as possible despite concerns expressed by Prime Minister Poul Schlüter. Agence France-Press reported from Copenhagen.

Coal imports, accounting for 1,130 million kroner (\$125 million), will end next year.

### Robbers Steal 3 Billion Lire

FLORENCE — Twelve robbers armed with pistols and submachine guns stole about 3 billion lire (\$1.74 million) from a post office Friday after holding the manager and a cashier overnight. Italian police reported.

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## ARTS / LEISURE

## Michelangelo: First Mannerist

By Susan Lumsden

FLORENCE — The only undisputed panel painting by Michelangelo was unveiled anew last week after a long and revealing restoration by experts at the Uffizi Gallery.

Officially titled "The Holy Family," the work is known as the Doni Tondo because it is round (1.2 meter in diameter) and was executed for the Renaissance patron and wool merchant Agnolo Doni, probably to celebrate his marriage in 1504 to Maddalena Strozzi of the banking family. (They are known from two realistic portraits by Raphael in the Pitti Palace.)

This latest restoration primarily confirms what was discovered almost simultaneously in the restoration of the Sistine Chapel ceiling in Rome: Michelangelo's palette was clearly Mannerist in its achromatic, almost shocking colors even before the end of the High Renaissance. With the candle smoke of centuries removed, the tropical pinks, oranges and blues that would later be a hallmark of the Mannerist painters shine brightly in the tondo and the frescoed Sistine ceiling.

"Michelangelo can now be considered the first Mannerist — not Pontormo, Rosso Fiorentino or Bronzino," said Antonio Godoli, an Uffizi official who helped organize the exhibition of the restored work. "The art history of the first half of the 16th century will now have to be reconsidered."

Rather than an isolated masterpiece, the Doni Tondo is now seen to be closer in style and time to the Sistine frescoes (1508-12). Indeed, it probably was a direct predecessor of the Sistine's powerful figures, including the male nudes, Godoli said. A perennial point of controversy in this religious painting, the male nudes in the background are more visible than ever after restoration and have elicited new interpretations of Michelangelo's art.

Timothy Verdon of the Florida State University Studies Center in Florence called the Doni Tondo the key to understanding Michelangelo. "In this singular painting, he achieves religious, personal and sexual synthesis for the first time by pictorially endorsing the neo-Platonism of the Renaissance, with its emphasis on the desire for virtue. This is expressed by homosexual love, not heterosexual, where desire is an end in itself."

Verdon, a specialist in Renaissance religious art, said the tondo represented "the first time in Western art in which the Virgin Mary is portrayed with a powerful androgynous body. The cleaning of the painting shows the musculature of her arms even more. Michelangelo has opted for the beauty of the male body as the most noble subject in art. Yet, he transmits his sexual preference in religious terms through the loving gaze of the Virgin upwards toward her child in heaven."

This spiral curve of her body and the child's, Verdon added, is subsequently echoed in Mannerist and Baroque art.

The complexities of the painting are compounded by those of the frame, perhaps the most beautiful in the Uffizi. It is a rare original, carved under orders from Michelangelo by Florentine artisans. Experts are studying its grotesque figures and five protruding heads for more clues to the origin and meaning of the painting.

The discovery that wormholes had spread from the frame to the painting prompted the restoration of both, starting in May 1984. In addition to the brilliant original colors of the painting, the Renaissance gold leaf of the frame has been freed from grime and the plaster of later repairs.

Unlike the Sistine Chapel, where speed in the rapidly drying fresco medium was crucial and brushstrokes are often evident, there is virtually no trace of Michelangelo's brushwork in the remarkably fused colors of the oil and tempera panel. The Doni Tondo has a homogeneity and smoothness that required only minimal intervention in the restoration.

"Restoration is neither magic nor makeup," said Giorgio Bonsanti, director of the Uffizi's restoration department. "It is a very selective studying and refurbishing of only the needy areas. Colors are living vegetable substances that change differently with time. Obviously, the artists knew this and painted accordingly. That is why it's risky to touch their patina, or sealing varnish. Once the original is gone, an artificial aging process sets in, at least one not intended by the artist. This knowledge of and respect for history is what distinguishes Italian from other, more drastic restorers."

In "The Holy Family," the solid skin tones were merely cleaned. More noticeably restored are the blue robes of the Virgin, where the paint had cracked under the weight of the glue needed to bind the relatively heavy lapis lazuli used to color it.

It is significant that, preliminary infra-red reflectography of the painting reveal no trace of underdrawing. Michelangelo, who disparagingly said that painting was better the more it resembled sculpture, was the only great master good enough to paint freehand — directly onto the panel without an underlying sketch.

His restored masterpiece is being shown in the natural light of the Uffizi's Sala Nioche until February. Then "The Holy Family" will return to its former place in Sala XXV, the Michelangelo Room.

The restoration was carried out entirely in the natural habitat of the painting, in the Uffizi, avoiding possible damaging reverses of temperature and humidity.

Susan Lumsden writes about the arts from Florence.



Restored "Holy Family" confirms Michelangelo's colorful palette.

## Huge Trenches Donated to Museum

By William Wilson

LOS ANGELES — The Museum of Contemporary Art here has accepted what is surely a unique work of art for its permanent collection: the equivalent of a hole as big as the Empire State Building.

The hole, in the vastness of the Nevada desert about 80 miles (130

kilometers) from Las Vegas, is a prime example of Earthwork art by one of its leading practitioners, Michael Heizer. Titled "Double Negative," it consists of two long, straight trenches that Heizer excavated in 1969-70 by moving about 240,000 tons of desert sandstone. It covers an area 1,500 feet (456 meters) long. Each trench is 30 feet wide and 50 feet deep.

The work was donated by Virginia Dwan, a pioneering sponsor of land art projects. "Double Negative" derives its importance partly from the fact that it is a rare survival of a radical artistic movement that has attracted few new practitioners since its inception.

Robert Smithson, an important innovator, died in 1973. His largest earthwork was a concentric swirl of earth on the banks of Utah's Great Salt Lake called "Spiral Jetty." The lake has since risen, covering the work. Among the few earthworks under way is James Turrell's "Roden Crater Project" at an extinct volcano in Arizona. It is documented in an exhibition at the Museum of Contemporary Art.

The museum's director, Richard Koshalek, sees the "Double Negative" acquisition as comparable to a traditional museum's undertaking stewardship of, say, a period house. There are, however, significant differences. Among them is the fact that the museum will undertake no conservation of the piece. Koshalek said Heizer wanted nature eventually to reclaim the land through weather and erosion.

Earthworks are of imponderable financial value. Heizer is said to have spent \$25,000 creating the project, and the donor will put a value on it for tax and insurance purposes. This might have practical ramifications on the art market. Part of the motive for the creation of such art, ironically, was an anti-market impulse in the 1970s.

Koshalek said that the museum planned to organize tours of the site and to prepare a publication, but that a large part of the museum's role would be keeping interest in such work alive and leading institutional cachet to its historical importance.

## Miller's 'Don Giovanni' Takes Many Liberties

By Henry Pleasants

LONDON — Dr. Jonathan Miller's new production of Wolfgang Amadeus Mozart and Lorenzo da Ponte's "Don Giovanni" for the English National Opera comes after a year he has spent at Sussex University doing research in cognitive psychological preoccupation and cognition.

It also reflects the contemporary fashion among opera producers of giving us not an opera as conceived by composer and librettist and passed on more or less faithfully from generation to generation, but rather an opera as they feel it could have been, should have been or might have been conceived — by themselves, of course — with an underscore by the composer, scrupulously preserved.

It would seem hard to imagine a "Don Giovanni" costumed almost wholly in black, played throughout in the dead of night, against a background of immense, towering movable blocks of crumbling brick masonry, intended to evoke a vaguely 18th-century setting (perish the thought that it might be Seville) but succeeding only in the suggestion of the bare walls of abandoned warehouses or textile mills. But Miller has imagined it.

He has also imagined a Don Giovanni more as social butterfly or playboy than as veteran womanizer and scoundrel. Only in his dreams could his callow Giovanni, engagingly sung and played by William Shimell, have seduced the 2,000-old women in Spain, France, Germany and Turkey listed in Leporello's famous catalog. Miller has said he diagnosed Don Giovanni as an "erotologist." This don does not appear old enough or mature enough to be an "erotologist" of any kind.

He is teamed, moreover, with a Leporello older and larger than he — Richard van Allan, who was protagonist of an ENO "Don Giovanni" several seasons ago, and a memorably good one. Throughout the evening one has the feeling that the casting might better have been reversed. Shimell has the vocal and histrionic makings of a good Leporello — if da Ponte's rather than Miller's.

Another disturbing aspect of this production is its busy-ness, a common fault among today's producers, who apparently are fearful of trusting the music to speak for itself. There is always a lot going on to divert the eye, but it does not add up to much, and has the distressing effect of making the scenes and arias seem like interruptions instead of high points. This

shortcoming is compounded by the fact that Philip Prowse's monstrous towers tend to make pygmies of the singing actors, especially in a theater the size of the Coliseum.

There are other disturbing oddities, most notably Miller's decision to abandon the commendatore's statue in favor of the tomb of a French field marshal and have the commendatore appear at Don Giovanni's supper as a ghost, borne upon a cloud of dry ice, clothed as he was at the beginning. Instantly perishing in hellfire, Giovanni is carried off by a white-clad being of his female conquests, possibly the producer's idea of a hell more famous than Hades.

The production is reasonably well sung by Josephine Barston (Donna Anna), Felicity Lott (Donna Elvira), Lesley Garrett (Zerlina), Malwyn Davies (Don Ottavio), Mark Richardson (Masetto) and John Connell (Commendatore), in addition to Shimell and Van Allan.

All, in their recitatives and arias, are handicapped by the apparent prohibition of the appoggiaturas and other ornaments that Mozart, as was the custom two centuries ago, left to the discretion (or indiscretion) of his singers. Responsibility for this revision to the bad old puritan days of Fritz Busch's Glyndebourne presumably lies with Mark Elder, the conductor and the ENO's music director.

Further performances Dec. 14, 15, 21, 27, and Jan. 2, 8, 11, 14, 15, 23 and 28.

Henry Pleasants is a London-based writer who specializes in music and opera. He is the author of several books on these subjects.

## Huge Campaign For 'Jedi' Video

New York Times Service

LOS ANGELES — CBS-Fox Video will begin a \$2-million U.S. advertising campaign next month for "Return of the Jedi."

Most of the money will be spent on a television commercial. A decade ago, studios rarely spent more than \$2 million on the theatrical release of a movie.

Priced at \$79.98 each, about 400,000 cassettes of the third "Star Wars" film will be shipped Feb. 25. "Jedi" will try to break the record of "Ghostbusters" as the largest-selling, most expensive priced cassette. Thorn-EMI-HBO's "Rambo" will also be trying for the record.

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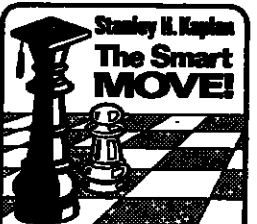
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## ARTS / LEISURE

## The Importance of Private Provenance

MONTE CARLO—The 45.5-million-franc (\$5.9-million) sale of French furniture and objets d'art by Christie's last week demonstrated the increasing importance of private provenance, untainted by speculative motives, as a selling argument.

The 55 lots in the sale—which started with a garniture of three Vincennes porcelain vases made in 1756 and concluded with a commode by Jean-François Leleu, a cabinet-maker of the Louis XVI period—came from the estate of Sir Charles Clow. A quarter of a century ago such a

## SOURN MELKIAN

provenance would not have made a great impression. Clow was too busy making millions as the owner of Selfridge's and other British companies to have a great deal of time to acquire expertise in 17th- and 18th-century furniture. Being immensely rich, he bought the most expensive, which means the best in some cases but not invariably so.

A little Louis XV mahogany and floral marquetry table and a Louis XV "petite commode," as Christie's called a table of similar type with cabriole legs joined by a rectangular platform, both of which were scooped at by dealers, sold for 166,500 francs and 111,000 francs, respectively (all prices include sales charges). An ambitious mahogany desk stamped "P. Fleury JMS" which sold for 444,000 francs, was similarly decided by dealers. These and other items of the same ilk formed a striking contrast with a small group of very grand pieces, remembered by those who attended the Alkan Gijb furniture sale in Monte Carlo in June 1979 at Sotheby's, where Clow bought them.

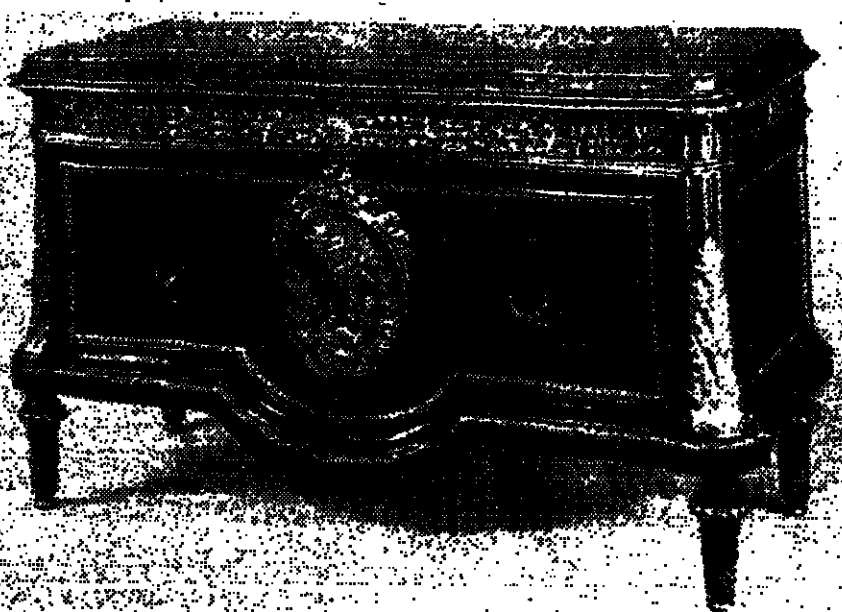
Until recently, such a strange mix might have fared poorly. The fact that the splendid pieces had been acquired six and a half years earlier would have weighed against them. Christie's felt so uncertain about the outcome of the sale that its chairman, John Floyd, refused to disclose Christie's estimates on the main lots two hours before the sale.

The market for top French furniture has been wobbly in the last year or so, two major U.S. collectors having stopped buying. For Christie's, which was holding its maiden sale in Monte Carlo, a failure would have had long-term repercussions.

The auction house surprised itself in its publicity campaign before the auction. Clow's name was featured prominently. Possible buyers were contacted long before the sale by members of Christie's staff, from the director of the furniture department, Hugh Roberts, to Charles Allsop, deputy chairman of Christie's London, who is credited with having won the sale for Christie's.

The result of all this spadework could be seen at the Dec. 6 sale. The minute Allsop started calling bids, seven telephones that had been laid out on low tables started buzzing.

The sale began with porcelain. The first lot, the Vincennes garniture of three vases dated 1756, sold for 721,500 francs, 50 percent over Christie's high estimate. As Hugo Morley-Fletcher's very scholarly catalog entry points out, these vases form part of a small group incorporating a book in the decoration, on which the name Anacron is to be read. This was the title of a ballet by Rameau performed in 1754 to celebrate the birth of the Duc de Berri



Louis XVI commode by J. F. Leleu sold for 12.21 million French francs.

who later became Louis XVI. The royal connection undoubtedly boosted the price.

The next lot, another garniture of three vases, made at Sevres in 1763, also sold over Christie's high estimate, fetching 421,800 francs from a telephone bidder operating through Morley-Fletcher. When yet another telephone battle took place between anonymous bidders, pitching Christie's staff members against one another with hardly any intervention from the room, the sale took on an unreal atmosphere. Roberts, on behalf of a telephone client, outbid Floyd's client and got a Sevres "Greek vase," made in about 1765, for 499,500 francs, twice Christie's high estimate.

That momentum could have been lost when the sale plodded through a series of lesser objects. Thanks to Allsop—who operated the sale with just the right touch of Englishness in manner and speech and revealed himself as an outstanding auctioneer—it did not. An exceedingly rare set of four Louis XIV ormolu candelabra, superbly chiseled, relieved the monotony halfway through and sold for 333,000 francs. Soon after, the bad furniture sold well—a "Louis XV marquetry table with trellis parquetry, top inlaid with pearl," which had a markedly mid-19th century look, more than doubled the high estimate at 12.2 million francs—and the good furniture even better.

Two Louis XV encoignures or corner cabinets with floral marquetry and lavish ormolu mounts in the Rococo manner went up to 4,995 million francs, nearly doubling the 1979 price in nominal francs. An important Louis XVI commode by Martin Carlin went up to 3.33 million francs, exactly doubling its 1979 price at Sotheby's. The top lot—the Louis XVI commode by Leleu—soared to 12.21 million francs, almost tripling the 1979 price.

In comparative terms, a pair of Louis XIV commodes in the Boule manner made the most remarkable score, selling for 888,000 francs, four times the 1979 price. Their powerful architectural appeal and the outstanding quality of the ormolu mounts are perfectly attuned to the taste of the day. Each commode is stamped by

Etienne Levesseur, who became a master in 1767, indicating that he must have restored the pieces shortly after that date. Louis XIV furniture is winning recognition at long last.

Another significant price is the 3.33 million francs for a pair of Empire console tables by Jacob Desmalter. The anonymous winner is enhanced by the bronze and ormolu legs and various ormolu fittings in the neo-classical manner. The heaviness of the design would have turned off buyers until a few years ago; in 1979, the price was 777,000 francs. Early 19th century furniture is now going up, however, and the context of Christie's sale gave the period an additional boost.

The day after, Christie's followed with a sale of furniture from various owners that brought almost 21 million francs. Christie's has made a breakthrough on the Monte Carlo front, where Sotheby's quasi-monopoly was mildly challenged by Paris auctioneers.

## Canaleto Sold for £528,000

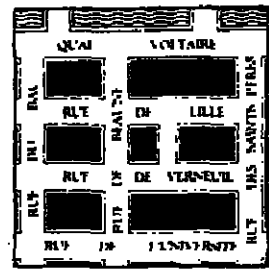
A painting of Venice by Antonio Canaleto, discovered in a Glasgow house, was bought Wednesday at Sotheby's in London by an American collector for £528,000 (\$755,000), including sales charge. The Associated Press reported. Sotheby's said it was a record price for the artist. The American, who bid by telephone, was not identified.

A copy of "The Entrance to the Grand Canal Looking Toward the Bacino" in the Windsor Castle collection of Queen Elizabeth II, but the location of the original had been unknown since the 18th century until this year when Anthony Weld Forester, 31, a Sotheby's employee in Glasgow, saw the painting, which the owner had thought was a copy. It was Forester's second remarkable find in Scotland this year. Six months earlier he spotted a huge oil of "David With the Head of Goliath" that was identified as an unrecorded work of the 17th-century Bolognese artist Guido Reni. It was auctioned in April for £2.2 million to a private buyer and is now on a three-year loan to the National Gallery in London.

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Alyson Reed and Terrence Mann in "A Chorus Line."

## 'A Chorus Line' Limpers In Transfer to Screen

By Sheila Benson

Los Angeles Times Service

If you were one of that legion who saw "A Chorus Line" more than once in the theater, the film is enough to make you doubt your judgment. If you have never seen

## MOVIE MARQUEE

the stage piece, you may come out wondering what all the fuss has been about.

In this stately and fairly slavish representation, directed by Sir Richard Attenborough, what pokes through with the pain of a broken heart is how this the material is. That was a secret well-disguised by the exuberant theatricality of the original production, conceived, choreographed and directed by Michael Bennett and produced by Joseph Papp.

As 16 auditioning singer-dancers confided snippets of autobiography to Zach, an omnipotent and unseen choreographer at the back of the theater, such was Bennett's assurance that it hardly ever occurred to us to ask why their innermost secrets needed airing when a clean bill of health from their dentist or podiatrist might be more to the point.

"A Chorus Line" performed without intermission, had an urgent coherence and its choreography was crisply elegant. Such is no longer the case. The film travels in fits and starts. Bennett's choreography has been all but erased. In the final number, "One," you can see a hint of his style, but everything else has the stamp of Jeffrey Hornaday, who perpetrated "Flashdance."

The love affair of the near past between Cassie (Alyson Reed) and Zach (Michael Douglas) has been built up. She is his protégée who has dared to reach for stardom "in a Hollywood musical." (In what, "Flashdance"? Did no one tell her about the "Hollywood musicals" of the past decade?) Now she is back, desperate for any job.

Her new number, "Let Me Dance for You," is interrupted by a look at their past. They are not the film's most charismatic couple. In this department, "A Chorus Line" one real killer is Terrence Mann as Larry, Zach's assistant choreographer. Warm, authoritative, ugly-handsome, effortlessly bal, with a sense of intelligence behind his acting and his dancing, is the film's unalloyed delight.

(Vincent Canby of The New

York Times writes: "They said 'A Chorus Line' couldn't be done on film—and they were right. Papp and Bennett declined to work on the movie. So did Mike Nichols and Sidney Lumet, among others. Attenborough is listed as director, but what he actually seems to have done is act as the escort to the screen of a reasonable facsimile of the show, not noticing it was dying en route.")

Capsule reviews of films recently released in the United States:

Janet Maslin of The New York Times on "The Jewel of the Nile": There's nothing here that wasn't funnier or more fanciful in Robert Zemeckis's "Romancing the Stone," although that film was by no means a landmark in the annals of armchair adventure. Derivative as it was, "Romancing the Stone" did have a certain spunk, thanks to its contrast between the workaday life of Joan Wilder, romance novelist (played so gamely by Kathleen Turner), and the far-flung adventures into which the screenplay propelled her. Sadly for the sequel (directed by Lewis Teague), the novelty in that contrast was more than used up the first time.

(But Paul Attanasio of The Washington Post finds the film "splashty, spookty and goofy, both more fun and less touching than the original; what was once a love story is now an out-and-out romp, a smartly written and playfully directed crowd pleaser.")

Maslin on "One": "Like the board game on which it is based, the movie is most fun in its early stages. The setting-up, which entails introducing a group of suspects and their chief victim-to-be and confining all of them to a baroque mansion, is the only part of the film that is remotely engaging. After that, it begins to drag. Though it takes only 87 minutes to arrive at one of its three solutions ("One" is shown in different versions in different theaters), it has long since worn out its welcome by then. Jonathan Lynn, its screenwriter and director, has included plenty of stupid double-entendres, making the film mildly unsuitable for the young audiences that might like it best.

**New Wolfgang Petersen Film**  
A sci-fi fantasy movie from the West German director Wolfgang Petersen, who made the World War II submarine thriller "Das Boot" (The Boat), went on general release in West Germany Thursday after a premiering in Munich, United Press International reported. The \$25-million 20th Century-Fox production is titled "Enemy Mine—Geliebter Feind" and stars Dennis Quaid and Lou Gossett Jr. as space travelers landing on an alien planet. It will be released in the United States before Christmas and elsewhere in Europe next year.

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AMC	20.00	19.00	19.00	+1.00	
AMT	15.00	14.00	14.00	+1.00	
AMR	10.00	9.00	9.00	+1.00	
ANA	8.00	7.00	7.00	+1.00	
AMN	6.00	5.00	5.00	+1.00	
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Friday's

# NYSE

Closing

Vol. of 4 P.M. 177,900,000  
Prev. 4 P.M. vol. 178,500,000  
Prev. consolidated close 283,827,000

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.  
Via The Associated Press

AMEX Diaries				
Index	High	Low	Last	Chg.
Indus	150.00	149.00	149.00	+1.00
Trans	100.00	99.00	99.00	+1.00
Comp	50.00	49.00	49.00	+1.00

NASDAQ Index				
Index	High	Low	Last	Chg.
Indus	150.00	149.00	149.00	+1.00
Trans	100.00	99.00	99.00	+1.00
Comp	50.00	49.00	49.00	+1.00

AMEX Most Actives				
Vol.	High	Low	Last	Chg.
IBM	150.00	149.00	149.00	+1.00
AT&T	100.00	99.00	99.00	+1.00
GE	50.00	49.00	49.00	+1.00
AMC	20.00	19.00	19.00	+1.00
AMT	15.00	14.00	14.00	+1.00
AMR	10.00	9.00	9.00	+1.00
ANA	8.00	7.00	7.00	+1.00
AMN	6.00	5.00	5.00	+1.00
AMT	5.00	4.00	4.00	+1.00
AMT	4.00	3.00	3.00	+1.00

Dow Jones Bond Averages				
Index	High	Low	Last	Chg.
Indus	150.00	149.00	149.00	+1.00
Trans	100.00	99.00	99.00	+1.00
Comp	50.00	49.00	49.00	+1.00

NYSE Diaries				
Index	High	Low	Last	Chg.
Indus	150.00	149.00	149.00	+1.00
Trans	100.00	99.00	99.00	+1.00
Comp	50.00	49.00	49.00	+1.00

Odd-Lot Trading in N.Y.				
Index	High	Low	Last	Chg.
Indus	150.00	149.00	149.00	+1.00
Trans	100.00	99.00	99.00	+1.00
Comp	50.00	49.00	49.00	+1.00

Standard & Poor's Index				
Index	High	Low	Last	Chg.
Indus	150.00	149.00	149.00	+1.00
Trans	100.00	99.00	99.00	+1.00
Comp	50.00	49.00	49.00	+1.00

AMEX Sales				
Index	High	Low	Last	Chg.
Indus	150.00	149.00	149.00	+1.00
Trans	100.00	99.00	99.00	+1.00
Comp	50.00	49.00	49.00	+1.00

AMEX Stock Index				
Index	High	Low	Last	Chg.
Indus	150.00	149.00	149.00	+1.00
Trans	100.00	99.00	99.00	+1.00
Comp	50.00	49.00	49.00	+1.00

## Share Prices Surge in New York

NEW YORK — Share prices leaped to another all-time high Friday on the New York Stock Exchange in the sixth heaviest trading day in history as investors scrambled to a frenetic pace to accumulate stock positions before the end of the year.

The Dow Jones industrial average closed at 1,535.21, up 23.97 on the day.

For the week, the Dow advanced 58.03 points, the largest gain since the week ended Aug. 3, 1984, when the Dow climbed 87.46.

Advances led declines by 1,267,426 against the 2,064 issues traded.

Volume totaled 177 million shares, up from 170.5 million Thursday.

One factor propelling the market higher was the need of money managers to buy stocks for their portfolios before the end of the year, analysts said.

"Money managers are in a frenzy to make sure they have long stock positions on the books," said Philip Erlanger, chief technical analyst at Advest, Inc. in Hartford. "They jump on any piece of good news and bad news they ignore."

Increased talk that the Federal Reserve may be ready to cut the discount rate also gave the market a boost, participants said.

"We need a cut in the discount rate," said Suresh Bhurud, portfolio strategist at First Boston. "If we don't get it, the market could very easily move down five or 10 percent."

The latest surge in the Dow is believed one of the steepest on record.

The first time the Dow closed above 1,300 was on May 20 of this year when it finished the day at 1,304.80. It topped the 1,400 mark for the first time on Nov. 6 when it closed at 1,403.44, and broke the 1,500 mark for the first time on Wednesday closing at 1,511.70.

In less than five months the Dow has climbed nearly 240 points.

Strong demand for Honeywell, IBM and other big computer concerns drove share prices up early in the day and by mid-session the widely watched Dow index had raced ahead by 20 points.

Traders said rumors, later denied, that Honeywell was planning a leveraged buyout to take the company private created enthusiasm which spread through the computer group.

After the denial, Honeywell yielded some of its earlier nine-point gain but it still ended four higher at 774.

IBM hit 150 for the first time, adding 1% to finish at 150.4, while Digital Equipment, Burroughs, Sperry, NCR, Data General and Hewlett-Packard were also higher.

Analyst Hugh Johnson of First Albany Corp. said investors were pleased with economic news, including yesterday's report that retail sales increased 1.1 percent last month and one Friday that November industrial production rose 0.4 percent.

"Some people interpret it as a sign that manufacturing is responding to the decline in the theory on Wall Street is that the Fed might see an opportunity to relax its credit policy now that Congress has taken some action on the federal budget deficit. On Wednesday night it passed the Gramm-Rudman bill, which calls for a balanced budget by 1991."

(UPI, AP, Reuters)

## Next Major Gains in Energy Gold, Platinum and Heating Oil could Mount by Multiples

In the midst of the latest OPEC-induced, future about falling oil prices, Indigo clients were receiving a report calling for crude-oil prices to double over the longer term. Then as news from the OPEC conference in Geneva drove heating oil down to the limit, we issued further projections calling for an ultimate rise to \$1.40 per gallon from roughly 80 cents. We also stressed that we had started buying platinum during the December 9 session because we felt an oil market driven to excessive depths by pure politics had resulted in gross underestimation of the value of platinum-group metals as catalysts in cracking plants and catalytic converters. We are calling platinum to move up by roughly \$200 per oz. from latest levels of dramatic liquidation. Also under coverage in weekly Indigo reports is the drive being led by international such as Ultramar on the LSE to push northward across the Canadian prairies in search of oil-and-gas reserves that have been dwindling in the southwestern U.S. Here, there are low-priced stocks that could multiply in the manner of petroleum and precious-metals futures where equity is expanded five-times-over by a \$100 climb in platinum or a 20-cent rise in heating oil. The first heating-oil advance projected by Indigo technicians ran to 23 cents; and if you want complimentary coverage of next anticipated movements, complete and return the coupon.



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AMT 1.00 0.00 0.00 +1.00	AMT 0.00 0.00 0.00 +1.00	AMT 0.00 0.00 0.00 +1.00

12 Month High Low Stock Div. Yld. PE 50 High Low 100 High Low	12 Month High Low Stock Div. Yld. PE 50 High Low 100 High Low	12 Month High Low Stock Div. Yld. PE 50 High Low 100 High Low
IBM 150.00 149.00 149.00 +1.00	AT&T 100.00 99.00 99.00 +1.00	GE 50.00 49.00 49.00 +1.00
AMC 20.00 19.00 19.00 +1.00	AMT 15.00 14.00 14.00 +1.00	AMR 10.00 9.00 9.00 +1.00
ANA 8.00 7.00 7.00 +1.00	AMN 6.00 5.00 5.00 +1.00	AMT 5.00 4.00 4.00 +1.00
AMT 4.00 3.00 3.00 +1.00	AMT 3.00 2.00 2.00 +1.00	AMT 2.00 1.00 1.00 +1.00
AMT 1.00 0.00 0.00 +1.00	AMT 0.00 0.00 0.00 +1.00	AMT 0.00 0.00 0.00 +1.00

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AMC 20.00 19.00 19.00 +1.00	AMT 15.00 14.00 14.00 +1.00	AMR 10.00 9.00 9.00 +1.00
ANA 8.00 7.00 7.00 +1.00	AMN 6.00 5.00 5.00 +1.00	AMT 5.00 4.00 4.00 +1.00
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AMC 20.00 19.00 19.00 +1.00	AMT 15.00 14.00 14.00 +1.00	AMR 10.00 9.00 9.00 +1.00
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### ECONOMIC SCENE

## Despite Accord for Talks, Trade Threats Continue

By LEONARD SILK

New York Times Service

NEW YORK — The Reagan administration has finally got agreement on the new round of trade talks it has been seeking for the last two years. On Nov. 28, the 90 members of the General Agreement on Tariffs and Trade, or GATT, agreed to start formal preparations for opening multilateral trade negotiations next September.

Speaking at an international monetary and trade conference in Philadelphia Monday, Arthur Dunkel, director-general of GATT, said: "We can now look to the future with confidence that the tensions which have bedeviled international trade relations in recent years can be resolved through negotiation and not through threats of unilateral restrictions on trade which would endanger the survival of the trading system itself."

But many threats to the system remain. One is the challenge to the old industrial leaders posed by the emergence of Japan as the world's largest exporter of manufactured goods, surpassing the United States and West Germany. In total exports, Japan is now tied for second place with West Germany, with each country's exports in 1984 equal to 8.9 percent of world trade.

The United States remains in first place in both exports and imports. As its share of world exports slipped to 11.4 percent in 1984 from 12.2 percent, its share of imports climbed to 17.1 percent from 11.6 percent, resulting in the biggest trade deficit in history. The American trade deficit could well become the main issue in the 1986 congressional election. Although President Ronald Reagan appears to have blocked the threat of protectionist legislation for the time being, recession and rising unemployment could still overrun his resistance.

### High unemployment is intensifying protectionist pressures.

OTHER Pacific nations besides Japan are shaking the world economic order. From 1973 to 1984, Taiwan moved up from 27th to 12th place among the world's top exporters. South Korea, from 35th to 14th; Hong Kong, from 24th to 15th, and China, just getting under way, from 21st to 18th place. Two-way trade across the Pacific now exceeds trade across the Atlantic.

Strains on the trade negotiations will be heightened by world overcapacity in energy, agriculture, mining and manufacturing. High unemployment in Europe and other countries is intensifying protectionist pressures in new forms. At the Philadelphia trade conference this week, Sylvia Ostry, the Canadian ambassador for multilateral trade negotiations, spoke of "neo-protectionism," which she said had accelerated since the recession of the early 1980s. She noted that neo-protectionism, which included such nontariff barriers as quotas on imports of autos or steel, reached 30 percent of the total consumption of manufactured goods in the industrial countries in 1983, up from 20 percent in 1980.

But, she added, neo-protectionism also took "another insidious form, more difficult to measure: a proliferation of domestic policies — subsidies, regulation, tax expenditures, transfers — that have the effect, if not always the intent, of managing the flow of trade but are not always domestic terrain and largely immune to the rules and procedures of GATT."

In the name of "cultural sovereignty," Mrs. Ostry's own country practices what some American publishers, such as Prentice-Hall, and some authors, such as this writer, whose economics textbook has been used in Canadian schools but now has been excluded, regard as a form of neo-protectionism.

In a Canadian government advertisement in The New York Times Tuesday, urging a new trading relationship with the United States, David Peterson, Premier of Ontario, declared: "We must maintain our ability to develop and support our own cultural and communications industries. We must maintain our ability to publish books and magazines, produce records and films, and create television and radio programming that help us

### Currency Rates

Dec. 13

Currency	Rate	Currency	Rate	Currency	Rate
Australian dollar	1.3245	Swiss franc	1.4820	British pound	1.6120
Belgian franc	36.3600	West German mark	1.9360	Canadian dollar	0.7120
Dutch guilder	2.3660	Japanese yen	161.00	French franc	6.5596
Italian lira	2036.00	New Zealand dollar	0.6820	Spanish peseta	166.64
Portuguese escudo	200.4800	South African rand	1.6600	Swedish krona	4.6660
Spanish peseta	166.6400	Taiwan dollar	24.6000	Swiss franc	1.4820
Swedish krona	4.6660	Thai baht	50.0000	Yen	161.00
Swiss franc	1.4820	US dollar	1.0000		

Source: Reuters. (A) American dollar; (B) British pound; (C) Canadian dollar; (D) French franc; (E) German mark; (F) Italian lira; (G) Japanese yen; (H) New Zealand dollar; (I) Spanish peseta; (J) South African rand; (K) Swedish krona; (L) Swiss franc; (M) Taiwan dollar; (N) Thai baht; (O) US dollar.

### Interest Rates

Dec. 13

Instrument	Rate	Instrument	Rate	Instrument	Rate
3-month Treasury bill	7 1/4%	3-month Treasury note	8 1/4%	3-month Treasury bond	9 1/4%
6-month Treasury bill	7 1/4%	6-month Treasury note	8 1/4%	6-month Treasury bond	9 1/4%
9-month Treasury bill	7 1/4%	9-month Treasury note	8 1/4%	9-month Treasury bond	9 1/4%
12-month Treasury bill	7 1/4%	12-month Treasury note	8 1/4%	12-month Treasury bond	9 1/4%

Source: Federal Reserve Bank of New York. (A) 3-month Treasury bill; (B) 6-month Treasury bill; (C) 9-month Treasury bill; (D) 12-month Treasury bill; (E) 3-month Treasury note; (F) 6-month Treasury note; (G) 9-month Treasury note; (H) 12-month Treasury note; (I) 3-month Treasury bond; (J) 6-month Treasury bond; (K) 9-month Treasury bond; (L) 12-month Treasury bond.

### Key Money Rates

Dec. 13

Instrument	Rate	Instrument	Rate	Instrument	Rate
3-month Treasury bill	7 1/4%	3-month Treasury note	8 1/4%	3-month Treasury bond	9 1/4%
6-month Treasury bill	7 1/4%	6-month Treasury note	8 1/4%	6-month Treasury bond	9 1/4%
9-month Treasury bill	7 1/4%	9-month Treasury note	8 1/4%	9-month Treasury bond	9 1/4%
12-month Treasury bill	7 1/4%	12-month Treasury note	8 1/4%	12-month Treasury bond	9 1/4%

### Asian Dollar Deposits

Dec. 13

Instrument	Rate	Instrument	Rate	Instrument	Rate
3-month Treasury bill	7 1/4%	3-month Treasury note	8 1/4%	3-month Treasury bond	9 1/4%
6-month Treasury bill	7 1/4%	6-month Treasury note	8 1/4%	6-month Treasury bond	9 1/4%
9-month Treasury bill	7 1/4%	9-month Treasury note	8 1/4%	9-month Treasury bond	9 1/4%
12-month Treasury bill	7 1/4%	12-month Treasury note	8 1/4%	12-month Treasury bond	9 1/4%

### Gold

Dec. 13

Instrument	Rate	Instrument	Rate	Instrument	Rate
3-month Treasury bill	7 1/4%	3-month Treasury note	8 1/4%	3-month Treasury bond	9 1/4%
6-month Treasury bill	7 1/4%	6-month Treasury note	8 1/4%	6-month Treasury bond	9 1/4%
9-month Treasury bill	7 1/4%	9-month Treasury note	8 1/4%	9-month Treasury bond	9 1/4%
12-month Treasury bill	7 1/4%	12-month Treasury note	8 1/4%	12-month Treasury bond	9 1/4%

## U.S. Says Wholesale Prices Up

Rise of 0.8% In November

Compiled by Our Staff From Dispatches

WASHINGTON — Wholesale prices in the United States rose 0.8 percent in November, mainly because of a jump in beef prices, the Labor Department reported Friday.

In another report Friday, the Federal Reserve Board reported that U.S. industrial output rose 0.4 percent in November after two consecutive monthly declines.

The Commerce Department reported that business inventories rose 0.5 percent in October, the biggest increase in 12 months, as sales fell 0.6 percent.

The increase in wholesale prices followed a 0.9-percent rise in October and means that wholesale prices for finished goods have risen at an annual rate of 1.8 percent through the first 11 months of 1985. Retail inflation is running at an annual rate of 3.3 percent this year.

The November Producer Price Index showed that food costs rose 1.6 percent after seasonal adjustment, after a 1.4-percent increase in October. Beef costs rose 4.5 percent.

The Producer Price Index had fallen for three of the past six months.

David Wyss, an economist with Data Resources Inc., in commenting on the industrial production figures, said, "This is a very poor performance." Mr. Wyss earlier predicted a 2.5-percent increase in overall economic growth for the final quarter.

Manufacturing production rose 0.5 percent, after falling 0.3 percent in both October and September.

The Federal Reserve said the output of consumer goods rose 0.4 percent, after falling 0.5 percent in October. Production of durable goods — products expected to last three years or more — rose 1.4 percent, rebounding slightly from a 1.2 percent decline in October.

In its report, the Commerce Department reported that total business inventories rose by \$3.1 billion, with the 0.5 percent increase the largest since a 0.6 percent rise in October of last year. The 0.6-percent drop in sales followed a 0.3-percent September decline and was the largest setback since a 2.3-percent plunge in June.

(AP, UPI, Reuters)

## Farm Securities Gain Popularity

Despite Woes, Credit System Is Called Safe

By Robert A. Bennett

New York Times Service

NEW YORK — Peter J. Carney is remarkably calm, even cheerful, considering that the Federal Farm Credit System is in such deep financial trouble.

It is Mr. Carney's job, as president of the Federal Farm Banks Funding Corp., to raise the \$70 billion that the system lends to American farmers. The system is the farmers' biggest creditor and with many farmers in default on their loans, it is likely to have a loss of \$3 billion this year, according to some estimates.

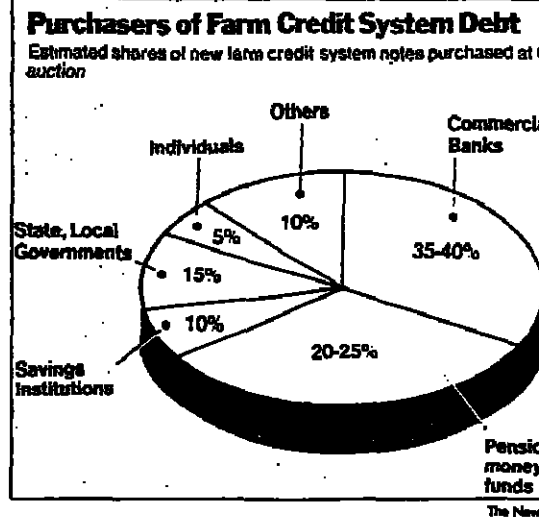
If such losses were to continue, and most analysts expect that they will, Mr. Carney could be saddled with the huge problem of not being able to repay investors, among them pension funds and money-market mutual funds. At the very least, the Farm Credit System should be having trouble raising new money. After all, it is privately owned and does not have an explicit government guarantee.

Despite such woes, Mr. Carney is calm. "The government would never let us default," he says flatly. That view seems to be widespread, for throughout the months-old crisis, Mr. Carney has been able to raise the money he needs — easily — although he must pay a premium interest rate for it. Many well-heeled and astute institutional investors are putting new money into the high-yielding farm-credit securities, betting heavily that the federal government will bail out the agency if necessary.

"I'll be dead wrong if Congress doesn't come through," said Stephen S. Smith, vice president of Provident Capital Management, a Philadelphia investment advisory service, whose clients are pension funds and other institutional investors. "A default would have a tremendous impact on all U.S. government agencies, and there would be tremendous disruptions in the markets."

By late summer, when the system's interest-rate premium was at its peak, farm-credit securities accounted for as much as 15 percent of some of Mr. Smith's clients' total investments in fixed-income securities.

And Mr. Smith is not alone. In October, for example, institutional investors bought almost 25 percent of the six-month notes the Farm Credit System sold. That was about double what they had bought before it became widely evident last summer that the system was in trouble because so many farmers could not repay their loans.



The New York Times

## Westland Takes Sikorsky-Fiat Rescue Offer

Compiled by Our Staff From Dispatches

LONDON — Westland PLC, Britain's financially troubled helicopter company, said Friday that it had accepted a rescue package by Sikorsky, a subsidiary of United Technologies Corp. of the United States, and Italy's Fiat SpA.

Westland's chairman, Sir John Cuckney, said his board had unanimously recommended the proposal for a partnership with UT and Fiat, which would together have an initial 29.9 percent of Westland.

The board rejected a bid favored by Britain's defense secretary, Michael Heseltine, who had hoped to form a West European helicopter consortium that would compete more effectively with U.S. companies.

Earlier in the day, industry sources said that Mr. Heseltine's proposed consortium — Aerospace of France, Messerschmitt-Bolkow-Blohm GmbH of West Germany and Agusta of Italy — had decided to make a bid to rescue Westland.

The sources said the three West European companies would offer to take a 29.9-percent stake in Westland after an agreement Thursday night between the defense ministers of Britain, Italy, France and West Germany to pursue an all-European helicopter procurement policy.

Earlier this week, Westland suspended dealing in its shares on the London stock exchange to dampen speculation about a possible rescue package.

Failure to win orders for W-30 helicopter that Westland has developed brought the company, Britain's only helicopter maker, to the brink of collapse.

A joint statement from United Technologies and Fiat said that full details of the tentative agreement and of a capital reorganization would be announced as soon as possible.

Sir John, in announcing the decision to take Sikorsky-Fiat up on its offer, would not disclose how much the offer was worth until shareholders meet to consider it, probably next week.

The arrangement would license Westland to build and sell Sikorsky's successful Black Hawk helicopter, which was recently selected by Australia's defense forces.

The new partners would have an option to increase their stake in Westland.

Sir John said at a news conference that the decision to accept the Sikorsky-Fiat bid and reject the European consortium was made because "financially it was at least as good" and it "greatly enhanced prospects for employment."

Westland, based in the Somerset in western England, announced economy measures and layoffs last week designed to save £15 million (\$21 million) a year. Sir John said that the economy measures would still go into effect.

A Westland spokesman said a number of UT directors would join the Westland board. (Reuters, AP)

## U.S. Automakers Report 12.6% Drop in Sales

DETROIT — Domestic automakers in the United States reported Friday that December car sales had dropped by 12.6 percent, reflecting the failure of renewed sales incentives to draw much buyer interest.

The seven companies, General Motors Corp., Ford Motor Co., Chrysler Corp., Honda Motor Co., American Motors Corp., Volkswagen of America and Nissan North America Inc., reported combined sales of 161,278 cars in the United States during the latest reporting period, Dec. 1-10.

That compares with 184,470 vehicles sold in the comparable period in 1984.

The daily selling rate of 20,159 cars compared with 23,059 for the period a year earlier.

The annual rate for the industry during the period was 7.2 million cars, compared with a strong 8.2 million last year. So far in 1985, the companies have sold 7.8 million cars, up 3.1 percent from almost 7.6 million units sold in the comparable 1984 period.

There were eight selling days in the 1985 reporting period, the same as in the early December period a year ago.

For the period, GM managed a slight gain in market share to 58.9 percent, while Ford's declined from 26.5 percent to 24.8 percent. Chrysler's share rose two-tenths of a point to 12.2 percent.

During the period, GM announced an 8.5-percent finance program on its J-car line, which includes such compact cars as the Chevrolet Cavalier or Pontiac Sunbird. Ford joined a day later with 7.9-percent financing on its Escort and Lynx subcompacts.

Neither program is as large as the one by Chrysler, which the week before kicked off 8.6-percent cut-rate financing or rebates of \$500 to \$1,000 on almost all models. The exceptions were some large cars.

## ICO Raises Its Quotas For Coffee

The Associated Press

LONDON — The International Coffee Organization announced Friday that a further rise in prices had triggered the release of all additional increases in export quotas permitted for 1985-86.

The 1985-86 grouping, which includes producer and consumer countries, said that all quota limits may be suspended as a result of the move.

The quota limit was raised Friday by 3 million, taking to 63 million bags the total export quotas available for the year to October 1986. One bag equals 60 kilograms (132 pounds).

Under ICO rules, it needed the 15-day average price of coffee to move above \$1.5008 a pound to trigger the release of quotas and start the countdown to suspension. The price for Thursday, available Friday, was \$1.5009.

The 15-day price has to remain above \$1.5008 for 45 consecutive market days to trigger the suspension of all quota limits, which would enable the ICO's 50 producing member governments to ship whatever quantities they liked.

Prices have been driven up sharply by heavy speculative buying in recent weeks, fueled by fears of substantial losses to next year's Brazilian crop through drought.

Brazil supplies about 30 percent of the world's import needs.

An ICO spokesman said there were no plans to hold an emergency meeting of the organization before Christmas to consider possible special measures to check the rise in the price.

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## BUSINESS ROUNDUP

## Renault Aide Named AMC Chairman

**The Associated Press**  
**DETROIT** — The chairmanship of American Motors Corp. passed from American to French hands Friday with the installation of a top official of the French state-owned automaker Renault, which has a 46-percent stake in AMC.

Pierre Semerena, 58, will leave Renault, where he has been executive vice president, to become AMC chairman. He replaces Paul Tippet, 52, who had resigned from day-to-day duties with the company in April. Mr. Tippet will remain a director, the company said.

Joe Dedeuwerder, AMC's president since 1982 and chief executive officer for more than a year, will remain the company's top official. His duties were expanded to include chairman of the board's executive committee, AMC said.

The Belgian-born Mr. Dedeuwerder is expected to be given control of Renault's auto operations outside France early next year while retaining the top office at AMC.

Renault rescued AMC under a

1979 agreement and owns 46.1 percent of the American company's stock.

AMC's setup is unlike those of many large U.S. corporations, where the chairman typically is the chief executive officer and the president is the chief of operations.

The top American at AMC will now be executive vice president Joseph Cappy, 51, who on Friday was made chief operating officer.

Mr. Cappy, once the main marketing and sales man at AMC, gained supervision of manufacturing and parts supply earlier this year. Now, the remaining operations also will report to him: engineering, product planning and styling.

The moves were decided Friday in New York by AMC's board, which includes four present or former Renault executives plus two outside directors with ties to Renault.

Executives inside the company viewed the moves as a vote of confidence in Mr. Dedeuwerder and

Mr. Cappy. AMC has posted a cumulative loss of \$741 million since 1980, but the company attributes most of that to the failing fortunes of subcompact cars, the only kind AMC makes in the United States.

AMC's Jeep vehicles are considered highly profitable and the company's plans to bring out a higher-profit midsize car at a new, highly automated plant in Canada are said to be on schedule.

Mr. Tippet became a figurehead chairman over the past year. In July, he was named president of Springs Industries Inc., a South Carolina textile company.

Mr. Semerena was appointed to the AMC board in 1980, but resigned in December 1982 to head the international automotive division of Renault.

Also elected to the board Friday was Allan Chapin, a partner in Renault's New York law firm, Sullivan & Cromwell. He is no relation to Roy Chapin, a director and former chairman of AMC.

## Schäffler Named Head of Dornier

**Reuters**  
**STUTTGART** — Johann Schäffler, vice president and general manager of the Airbus Industrie consortium, has been named managing board chairman of the West German aerospace group Dornier GmbH, a Dornier spokesman said Friday, confirming earlier reports.

He will replace Manfred Fischer, who will continue as an advisor to the group, in which Daimler-Benz AG bought a 65.5-percent stake earlier this year. His appointment is effective Feb. 1.

Industry sources predicted last week that Mr. Schäffler would be given the chairmanship. Mr. Schäffler, a former official at West Germany's largest aerospace group, Messerschmitt-Bölkow-Blohm GmbH, had been with Airbus since the spring.

## The Making of the General Electric-RCA Merger

(Continued from Page 1)

ting up a contest, but RCA did not want to provide that.

Nevertheless, with RCA willing to walk up the aisle and GE an eager escort, the negotiations moved along.

As with many arrangements that come together in the hard-charging Wall Street community, it all started at a routine breakfast earlier this fall.

During this breakfast Mr. Welch mentioned to Mr. Rohatyn, with whom he often shares coffee and orange juice, that he wanted to meet Mr. Bradshaw.

Mr. Rohatyn called Mr. Bradshaw and arranged the Nov. 8 meeting.

"The discussions were quite general," Mr. Bradshaw said of that first meeting. "It was a very low-key feeling."

But GE was galvanized.

Mr. Welch immediately put a team of four executives on the case. "We tore the numbers apart," he said. "We knew everything about that company by the time we were through."

By shortly before Thanksgiving, Nov. 28, Mr. Welch was convinced that he wanted the company. Its nationwide network, National Broadcasting Co., had never been in better health; its television stations were doing very well, and its defense business seemed compatible with GE's.

Mr. Welch decided that he and several of his top executives should think it over during Thanksgiving weekend. He did his thinking on a brief trip to West Palm Beach, Florida, with his family.

The next week, he put in a call to Mr. Rohatyn, who in turn called Mr. Bradshaw. A meeting was arranged for Dec. 5.

Mr. Bradshaw recalled that Mr. Welch came by to see him that night at the Dorset Hotel in Manhattan, where Mr. Bradshaw is temporarily staying.

The meeting did not take long, but it was long enough to make Mr. Bradshaw late to a dinner party.



John F. Welch Jr., chairman of GE, and Thornton F. Bradshaw, chairman of RCA, after announcing the merger.

to lock up the stations because they are an integral part of a network system," Mr. Frederick recalled Thursday. Instead the companies agreed on what is known as a "stock lockup," that is, GE has an option to buy 28 million shares of RCA stock at \$53 a share.

These issues were resolved during meetings Monday and Tuesday at the Waldorf Tower apartment, as well as at various lawyers' offices.

Lawyers at Fried, Frank, including Arthur Fleisher, a leading takeover lawyer, worked all Tuesday night on the final papers. About 2 A.M., Mr. Lipton, the takeover specialist at Wachtel, Lipton joined the Fried, Frank contingent and discussions continued for another several hours. Finally the papers were complete and the lawyers went home to shower and change.

By Wednesday night the boards had approved the agreement. At GE, there was euphoria.

"We've looked at 3,000 companies in the past five years," said Larry Bossidy, a top executive at GE. "But this one is a blockbuster."

## Mercantile Studies Sale Of U.S. Units

**By Bob Hagerty**  
**International Herald Tribune**  
**LONDON** — Mercantile House Holdings PLC, signaling a strategy shift, said Friday that it is discussing the sale of most of its New York investment banking unit, Oppenheimer Holdings, to a group led by the unit's management.

Mercantile paid \$163 million for Oppenheimer in mid-1982 as the centerpiece of a strategy of diversifying from money and bond brokerage into international investment banking. The planned sale illustrates the difficulty of piecing together international financial conglomerates from such disparate parts.

John Barkshire, chairman of Mercantile, last year called Oppenheimer a model for a new breed of securities houses "that would emerge in London as financial markets were deregulated."

On Friday, Mr. Barkshire said Oppenheimer was becoming more focused on share dealing in its home market and thus had grown "less relevant" for Mercantile's drive to become a leader in the international bond market.

Mercantile said it expected to retain about 20 percent of Oppenheimer as well as all of the company's mutual-fund-management business. One analyst estimated Mercantile would receive \$120 million for the unit.

Mercantile eventually might acquire a U.S. bond-trading business, Mr. Barkshire said.

## S&amp;P Lowers Its Credit Ratings of Texaco

**The Associated Press**  
**NEW YORK** — Standard & Poor's Corp. sharply dropped its credit ratings of Texaco Inc. senior debt and commercial paper to speculative grade Friday, saying an out-of-court settlement of a \$103.3-billion judgment against the oil company "appears unlikely."

The move was the latest indication of the pressures building on the third largest U.S. oil company since a Texas state judge on Tuesday upheld a \$10.53-billion jury award plus interest against the company.

Analysts said the specter of a protracted battle to overturn the judgment awarded to Pennzoil Co. could make it more difficult for Texaco to secure credit from suppliers and banks for its day-to-day operations and could make poten-

tial business partners wary of entering into ventures with Texaco.

Texaco did not comment on changes in its bond ratings.

S&P lowered Texaco's senior debt rating to B from A-plus, an investment grade rating, and lowered its commercial paper ratings from A-1 to C — a category of short-term debt that S&P considers to have "doubtful capacity for repayment."

S&P, which also lowered the securities ratings of certain Texaco subsidiaries, said its action affected about \$8.4 billion of Texaco debt.

Moody's Investor Services, the other major investment rating firm, lowered its ratings of Texaco debt to speculative grade on Wednesday, affecting about \$2.4 billion in commercial paper and \$8.8 billion in long-term debt.

The changes were important because institutions such as bank trusts and pension funds are barred from investing in securities rated as speculative.

S&P's action came a day after Japan's Nippon Oil Co. said it would delay a \$100-million project to head a consortium exploring and developing some of Texaco's U.S. oil and natural gas fields until the Pennzoil case was resolved.

S&P said in a news release that it based its credit action on its opinion that a Texaco bankruptcy filing was an "increasingly attractive option" if the company was forced to post the \$11-billion bond in order to appeal the decision.

"A bankruptcy filing would relieve Texaco of its onerous requirement to post a bond," S&P stated.

## COMPANY NOTES

Bankque Indonésien, the Paris-based banking group, said it opened its first branch in China's special economic zone of Shenzhen. The license allows Bankque Indonésien to operate in the whole of China in foreign currencies for import-export operations with joint ventures in Hong Kong and Macao and foreign entities.

Exxon Corp. of the United States said its subsidiary, Esso Exploration & Production Australia Inc., plans to acquire the entire issued capital of Ciro Australian Petroleum Ltd. from Occidental Petroleum Corp.'s unit, Occidental International Exploration & Production Co. The purchase price was not disclosed.

Fisons PLC of Britain said it has received approval from the U.S. Food and Drug Administration to

market an aerosol version of its bronchial asthma drug, Intal. At present in the U.S. market, Intal is sold in a form that has to be inhaled through a special device.

LTV Corp., the U.S. steel concern, was allowed by the Justice Department to sell its Gadsden, Alabama, plant to employees. The department reversed an earlier rejection of the sale.

Peugeot SA of France said its unit, Automobiles Peugeot and B.P.L., Austin Rover division, in Britain have signed an agreement for Austin Rover to distribute three versions of the Peugeot 205 mini car in Japan. Under the accord, Austin Rover Japan would import and distribute up to 1,000 Peugeot 205s a year, starting next March.

Repsco Corp. of Australia has described as inadequate a hostile bid

by Asiatic Australia Ltd., which offered 1.50 Australian dollars (\$1.02) a share for the 78 percent of Repsco's 219.6 million shares that it did not already hold on Wednesday.

Verenigde Aluminium-Werke AG, West Germany's largest aluminum producer, said profit came under pressure in the third quarter, during which sales rose 1.1 percent from the previous quarter to \$80 million Deutsche marks (\$349.2 million).

Weyerhaeuser Co. of the United States, whose acquisition from Menasha Corp. of a corrugating medium mill in North Bend, Oregon, has been challenged on anti-trust grounds, is being allowed to proceed by the Federal Trade Commission.

## Moscow Reports Faster Growth

**United Press International**  
**MOSCOW** — The Soviet economy grew at a 3.8-percent rate through the first 11 months of the year but continued to suffer shortfalls in vital areas such as oil production, the government said Friday.

The figures from the Central Statistical Board, printed in the Communist Party newspaper Pravda, said industry had exceeded marketing plans by 1 percent but did not mention the production plan target. Total production stood 3.8 percent above a year earlier, while labor productivity was up 3.4 percent, the government agency said.

Figures published a year ago listed the 1985 labor productivity target at 3.7 percent and production at 3.9 percent.

## World Trade Threats Persist

(Continued from Page 9)

define our hopes and dreams, our way of seeing ourselves and the world."

Such neo-protectionism is likely to be a subject of controversy in the bilateral negotiations with Canada that Mr. Reagan, according to administration sources, is now preparing to begin. These bilateral talks would move in parallel with the multilateral GATT talks. At GATT, the United States is expected to push hard for fairer trade rules on services, such as communications, banking, insurance and data processing, as well as on high technology and intellectual property, where America believes it has a comparative advantage and can redress its trade imbalance.

Probably the most difficult problem confronting the multilateral trade talks will be linking trade with such crucial problems as exchange rates, world debt and na-

tional fiscal and monetary policies for growth. As complex as this may be, it appears impossible to avoid the necessity of accompanying the trade talks with formal negotiations to strengthen the world monetary system and improve coordination of national economic policies, if a breakdown in the trading system is to be prevented.

**U.K. Consumer Prices Rose 0.3% in November**

**Agence France-Press**  
**LONDON** — Consumer prices in Britain rose 0.3 percent in November, bringing the rate of inflation for 12 months to 5.5 percent, the government announced Friday.

Prices had risen 0.2 percent in October after falling 0.1 percent in September. The annual rate of inflation in October stood at 5.4 percent.

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## INTERNATIONAL CLASSIFIED

(Continued From Back Page)

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Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.  
*Via The Associated Press*

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**NYSE Highs-Lows**

NEW HIGHS 307

## Unilever Group to Buy

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**ADDITIONAL**

Net asset value quotations are supplied by the Funds listed with the exception of some quotes based on issue price.  
The marginal symbols indicate frequency of quotations supplied: (d) - daily; (w) - weekly; (b) - bi-monthly; (r) - regularly; (i) - irregularly.

DM - Deutsche Mark; BF - Belgium Francs; FL - Dutch Florin; LF - Luxembourg Francs; ECU - European Currency Unit; SF - Swiss Francs; g - asked; + - Offer Prices; b - bid change  
p/v 510 to 310 per unit; N.A. - Not Available; N.C. - Not Communicated; a - New; S - suspended; S/S - Stock Split; - - Ex-Dividend; \* - Ex-Rate; - - Gross Performance Index November; e -  
per unit; Brn - Bremen; An - Amsterdam; Eu - European; W - Worldwide; F - France; L - London; N - New York; S - Singapore; T - Tokyo; U - United States

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## BUSINESS PROFILE / José María Ruiz Mateos

## Founder of Empire Battles On From Spanish Jail

By Edward Schumacher

New York Times Service

MADRID — José María Ruiz Mateos, extradited Nov. 27 from Germany on charges related to the expropriation of his business, has been sitting without in a high-security prison here. This would seem a remarkable for a man who was the sole owner of the Rumasa group — 232 companies that ranged from banks to hotels and that accounted for nearly 2 percent of Spain's economy. Even behind bars, however, Ruiz Mateos is still making

a defense that is as much political as legal, he has implicated many Spanish leaders — including politicians, labor leaders and even the president of the Constitutional Tribunal, the country's top court — in the Rumasa scandal. He has also used a rare window on the work of Opus Dei, a powerful and secretive Roman Catholic fraternal

organization, to argue that the government is a midnight raid, charged that an imminent collapse of Rumasa endangered the Spanish economy.

Mr. Ruiz Mateos fled the country, and from abroad he bitterly accused his friends of betrayal to keep their own operations from being expropriated. A member of Opus Dei, he said he had acted under the advice of fellow members led by Luis Valls, president of Banco Popular, one of Spain's "Big Seven" banks. Mr. Ruiz Mateos said that they had introduced him to Bank of Spain officials before the expropriation of Rumasa and afterward advised him to flee.

He also disclosed how Valls and Opus Dei had sent emissaries and letters to him in attempts to heal the rift. They have denied any ill intentions.

"This is a very delicate and touchy thing," Mr. Ruiz Mateos said recently. "First, you have to distinguish between the institution, Opus Dei, which is sacred and which I would never do anything to damage, and then there are the men, who are mean and can make mistakes and abuse."

Mr. Ruiz Mateos damaged his standing in public opinion when he

win, reason is on my side and the government will fall." Previously, he had said that: "I'm going to defend myself by means of the law and not through the press."

Mr. Ruiz Mateos, an obsessive, self-made man, built Rumasa from a small sherry-exporting company in the south into Spain's largest holding company. He did so through heavy borrowing, much of it from banks he came to own, and a close relationship with Franco, the late dictator.

Seeing himself as a folk hero, Mr. Ruiz Mateos said he was driven by a messianic vision of employing 100,000 people. But Franco died in 1975, and by 1979, the Bank of Spain and major private banks, many of which refused to finance Mr. Ruiz Mateos, began warning that the holding company was over-extended. He refused to allow audits by outsiders.

The government, seizing his headquarters in a midnight raid, charged that an imminent collapse of Rumasa endangered the Spanish economy.

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José María Ruiz Mateos

Spain officials. No proof has been

furnished. But one group still sticks by the entrepreneur. Hundreds of people who were diehard Franco supporters stood outside the court building last week and cheered Mr. Ruiz Mateos.

And the Popular Coalition, the conservative opposition, formed a commission last week to investigate what it says were irregularities committed by the government in selling off many of Rumasa's companies.

Legal battles have become a nightmare. Mr. Ruiz Mateos has filed some 700 civil suits related to the expropriation. One appeal to the Constitutional Tribunal lost narrowly, but a second appeal remains pending. Meanwhile, even a number of Socialists have questioned the necessity and legality of the expropriation.

Under West Germany's extradition terms, Mr. Ruiz Mateos can be prosecuted only for accounting irregularities and possibly for tax evasion, although the Madrid government also wanted to charge him with embezzlement, fraud and being the king.

## Swiss Post a Monthly Trade Surplus

Compiled by Our Staff From Dispatches

BERN — Switzerland's merchandise-trade balance, benefiting from falling imports, swung into surplus in November for the first time in nearly seven years, the government said Friday.

The government said that exports exceeded imports by 90.9 million francs (about \$43.1 million) in November, in contrast to a \$82.8-million franc deficit in October.

Imports fell to 5.9 billion francs in November from 6.8 billion francs in October, while exports fell to 6 billion francs from 6.2 billion francs. The overall deficit for the first 11 months of 1985 now stands at 7.6 billion francs.

Union Bank of Switzerland expects the Swiss current account, a broader gauge that measures trade in goods and services as well as interest, dividends and certain transfers, to show a surplus of around 9.5 billion francs in 1985.

Separately, the government also announced a small rise in unemployment in November, to 0.9 percent of the working population from 0.8 percent in October. Officials said this rise was also seasonal. The federal Office of Industry, Trade and Labor also said that Swiss industrial production fell 6 percent in the third quarter after an upward revised 7 percent rise in the second three months of the year.

Securities  
In Farming  
Are Popular

(Continued from Page 9)

proved a bill that would authorize the Treasury to give an unlimited amount of aid to the system if the administration deemed it necessary. The House Agriculture Committee approved a similar bill and the full House voted its approval this week.

As the legislation wended its way through Congress, a key issue was to what degree the government should pour money into the privately owned system before it used up its own resources. At one point, according to some reports, the Farm Credit System was proposing government aid of \$10 billion, or one-seventh of the \$70 billion that the system has outstanding in bonds and notes. Later it sought a \$3-billion line of credit from the Treasury.

Now the bill passed by the Senate sets no aid figure, but specifies that the Treasury will not step in until the system uses up its own reserves of about \$11 billion. The House bill is similar.

The Farm Credit System was created by Congress piece by piece beginning in 1917, with the mandate that it make loans to the nation's farmers. Today the system consists of 37 farmer-owned financial institutions, each operating fairly independently of each other although they all raise funds through Mr. Carney's Federal Land Bank Funding Corp. The overall regulator is the Farm Credit Administration.

But this connection with the federal government gives rise to the confidence among so many lenders in a government bailout. Otherwise, the depth of the Farm Credit System's financial troubles would probably preclude it from raising any money at all. In the third quarter alone, the system had a \$522.3-billion loss because of the failure of farmers to repay loans, compared with a net income of \$126.4 million in the comparable period in 1984.

## CURRENCY MARKETS

## Dollar, Pound Stable in Quiet Trade

Compiled by Our Staff From Dispatches

NEW YORK — The dollar ended slightly firmer in the United States and Europe Friday amid mounting signs that the Federal Reserve Board would not cut its benchmark discount rate.

Some analysts said a cut in the rate at this time was highly unlikely given current economic data, especially the higher than expected rise of \$5.3 billion in the most recent U.S. M-1 money-supply figure. By the close of trading, a cut had not been announced.

A reduction in the rate, the Fed's charge on loans to member banks, would act to push all U.S. interest rates lower. That, in turn, would act to depress the dollar.

"If the Fed doesn't cut the discount rate, the dollar could rise slightly Monday," Earl Johnson, vice president at Chicago's Harris Bank, said before the close of trading. "But it doesn't have much upside potential because of the cen-

tral bank intervention this week."

In New York, the dollar rose to 2.5230 Deutsche marks from 2.5190 on Thursday; to 302.75 yen from 302.20, and to 7.7175 French francs from 7.6980. It slipped against the Swiss franc, however, to 2.1080 from 2.1105.

In earlier trading in Europe, the dollar ended in London at 2.5210 DM, up from an opening 2.5110 and 2.5140 at Thursday's close. It also rose there to 2.1055 Swiss francs from 2.1015 Thursday; to 7.7125 French francs from 7.6825, and to 302.50 yen from 302.05.

The British pound, meanwhile, weakened in quiet trading as markets reassessed the anticipated impact on the currency of lower oil prices. After surging 2 cents on Thursday, to close at \$1.4400, sterling ended in London Friday at \$1.4365. It closed later in New York at \$1.4360, up from \$1.4345.

Dealers said the main influence on sterling this week — wildly fluctuating oil prices in the wake of last weekend's meeting of the Organization of Petroleum Exporting Countries — receded in importance Friday as oil prices stabilized.

Britain's benchmark crude,

North Sea Brent, was quoted for January delivery Friday at \$26.35 a barrel after dropping to under \$22 a barrel on Wednesday.

But dealers pointed out that most oil analysts and economists expect weaker oil prices in the near term, and warned that the slightest hint of price instability could spark a further round of selling.

In other European markets Friday, the dollar was fixed at 2.5172 DM, down from 2.5234; at 7.6960 French francs in Paris, down from 7.7110, and at 1,717.50 lire in Milan, down from 1,720.50. In Zurich, the dollar closed at 2.1060 Swiss francs, unchanged.

(Reuters, IHT, AP)

## THE EUROMARKETS

## Most Borrowers Continue to Shun Markets

By Christopher Pizzey

Reuters

LONDON — Both the primary and secondary areas of the Eurobond market were exceptionally quiet Friday, with prices showing little change and only one new issue emerging in London, dealers said.

The new issue, of bonds, was a \$150-million dollar-straight for Procter & Gamble Co., which had a 15-year maturity — long for this sector. But other borrowers continued to shun the Eurobond market because better terms are generally available on the U.S. market.

Secondary-market activity was generally restricted to light book-keeping ahead of the weekend, dealers said.

The Procter & Gamble issue pays 9 1/2 percent and was priced at 100 1/4. The lead manager was Goldman Sachs International Corp., and the issue was quoted at a dis-

count of about 2, within the total

fees of 2 1/2 percent.

Over the week, dollar straight issues totaling some \$980 million had been launched, most of which ended within their total fees.

The \$200-million bond issue launched Tuesday for the World Bank ended above its 100 1/4 issue price at 100 1/2. Dealers speculated that the issue was sold short at the time of its launch by some operators who did not realize that sole lead manager, Shearson Lehman Brothers, was also sole underwriter.

Prices in the dollar-straight secondary market finished anything between 1/2 and 3/4 points firmer on the week, but prices in London still continued to lag behind those in the United States.

Dealers noted speculation in the United States that the Federal Reserve Board was about to cut the discount rate, but they generally preferred to await developments

rather than establish long positions

over the weekend.

A trader at a European bank commented: "Most people are treading warily because of the dangers of getting too enthusiastic when the market could be at the top."

Only two dollar floating-rate notes were launched during the week — the \$400-million, two-tranche offering for Belgium and the \$100-million issue for Burings BV. Both finished within their total fees.

With activity in the dollar sectors relatively slow this week, attention tended to focus on sectors denominated in other currencies. An apparent swap window opened in the Euroyen market with five issues emerging — including two yen/U.S. dollar dual-currency issues — that totaled \$0 billion yen.

**Friday's OTC Prices**

NASDAQ prices as of 3 p.m. New York Times  
Via The Associated Press

12 Month	Div. Yld.	High	Low	3 P.M. CHG
11. AIG	2.5	11.0	10.5	+0.5
12. AIG	2.5	11.0	10.5	+0.5
13. AIG	2.5	11.0	10.5	+0.5
14. AIG	2.5	11.0	10.5	+0.5
15. AIG	2.5	11.0	10.5	+0.5
16. AIG	2.5	11.0	10.5	+0.5
17. AIG	2.5	11.0	10.5	+0.5
18. AIG	2.5	11.0	10.5	+0.5
19. AIG	2.5	11.0	10.5	+0.5
20. AIG	2.5	11.0	10.5	+0.5
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100. AIG	2.5	11.0	10.5	+0.5

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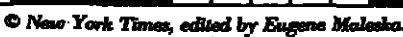
## ACROSS

71 Omitted  
 73 The Flying  
 Scotsman, e.  
 75 Abstruse  
 79 Pollster or  
 cowboy  
 80 Lobster claw  
 81 Counterfeit.  
 82 Acres  
 Merrill  
 83 Fall cries  
 84 Seethes  
 85 Arnaz  
 86 "Sprachen -  
 Deutsch"  
 87 Excitement  
 88 Reproduction  
 symbols  
 91 Alveoli  
 92 Pines  
 94 Fear of  
 ridicule  
 97 Negatively  
 charged  
 particles  
 98 Customs  
 99 Kind of  
 performance  
 100 Shoots the  
 breeze  
 01 Caresses  
 02 Harden

**DOWN**

40 Last word of Mont.'s motto  
41 Designer de l  
43 Teddy and honey  
44 Indian queens  
45 On  
46 Kind of colony  
47 Fear of sin  
48 Punster's evocation  
49 Picasso or Casals  
50 Grate sight  
52 Plume producer  
53 Kitchen utensil

**By Bert H. Kruse**



**DOWN**

78 Lyricist for Gershwin's "Swanee"

80 Bill's companion

81 Honors, in a way

84 Sampler verb

85 Palazzo Ducale resident

88 Sweet plant

**DOWN**

09 Labels  
10 N.Y., L.A.,  
S.F., etc.  
11 Pope John  
Paul II, for one  
12 Cyclades isle  
13 Produce lace  
14 All — up (be-  
side oneself)

## Reviewed by John Gross

Even more than that, Samuels had the reputation of being a wit, a humorist, a joker, what you will. He belonged to a species that over the years was to provide Bryan with many of his closest friends, and he is the first of the 13 gentlemen (and one lady, Dorothy Parker) who are celebrated in this amiable collective memoir. The others include Robert Benchley, S. J. Perelman and — less predictably, in this connection — John Steinbeck; they range from such well-remembered figures as Fred Allen and Marc Connelly to half-forgotten ones such as the author Finis Farr and the mural-painter and dedicated practical joker Huxh Troy.

Bryan comes across as someone who has a notable gift for friendship. He is also a seasoned storyteller, with a sprightly turn of phrase — Remondy's mind, he told us, was "a combination of unclear and clear." Steinberg, a barely legible handwriting "a mile in pencil," but he doesn't try to set up in competition with his merry heroes. Indeed, he often seems happy to present himself as a straight man or stooge. Frank Sullivan, for instance, frequently sent him letters like the one in which he described a party he had been to, then broke off, "But enough of my social triumphs. They can only serve to make you even more dissatisfied with your drab and inferior position in society."

The chapter on Benchley, equally good, is rather more of a straightforward profile, but written with obvious affection and warmth. Bryan's friendship with him began as it meant to go on; Benchley was nursing an impressive hangover when they were introduced, and virtually the first words he uttered (or muttered) were that all he had had for breakfast that morning was "one aspirin, lightly grilled."

F. B. Chalmers  
12-74

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CARROTS DON'T EVEN TASTE GOOD WITH KETCHUP ON 'EM!

[illegible]

*John Gross is on the staff of The New York Times.*

**LONDON.**—Christie's sold about 200 teddy bears Friday — its first auction strictly of bears and other soft toys — for a total of almost £15,000 (\$21,300). The top price was £700 for a 75-year-old plush-covered bear with embroidered nose, yellow eyes, a pronounced humpback, and a music box inside.

*Via Agence France-Presse Dec. 13*  
*Closing prices in local currencies unless otherwise indicated*

[illegible]

12-99

WHAT'S GOING ON?

I'M WATCHING THE NEWS. A DEPARTMENT STORE SANTA CLAUS HAD A HEART ATTACK

THEY TOOK HIM TO THE HOSPITAL, AND HE HAD TRIPLE BYPASS SURGERY...

THEY SAID THAT JUST BEFORE HIS HEART ATTACK, THERE WAS SOME KIND OF DISTURBANCE BY A LITTLE GIRL AT THE STORE...

JEFF KINNEY

I'VE WANTED TO COME HERE FOR YEARS

I SIMPLY LOVE FRENCH FOOD

WHAT'S THE SPECIALTY HERE?

SNAILS

I'VE NEVER SEEN THEM FROM THE WAITERS' P.O.V.

DAVE COVERLY

I WANT THIS MAN PUT IN THE STOCKADE FOR INSUBORDINATION!

WHAT MAN?

HIM

I WAS HOLDING HIM TILL YOU GOT HERE

HOLD ON!

12-14

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FROM THE TIME / SHE'LL BLOW / ME UP, I'LL / HERE GOES

I'M SORRY, / BUT I CAN'T / LIKE THIS

THAT'S / ALL RIGHT, / PET -

I'VE JUST COME / IN A WHEEL - / RUBBIE AND I -

THERE'S ABSOLUTELY / NO EXCUSE FOR / COMING IN AT THIS / TIME OF NIGHT - !!

© 1993 Twentieth Century Fox Film Corporation, Ltd.  
Dist. by Warner Bros. Entertainment Inc.

WHO GOES THERE?

ROBBING HOOD AND HIS MERRY MEN

I THOUGHT YOU GUYS WERE IN QUARANTINE

WE'VE GOT TO CHANGE THE NAME OF THIS OUTFIT

© 1995 by Dave Coverly

**DR. HIBBERT**  
I KNOW YOU'RE PROBABLY BUSY WITH A CUSTOMER, KAY--SO I WON'T KEEP YOU! I JUST HAD A PHYSICAL CHECKUP--AND THE DOCTOR SAID I WAS IN PERFECT HEALTH!

**BART**  
I'D LIKE TO CELEBRATE! CAN YOU GO TO DINNER WITH ME THIS EVENING?

**YES--BUT YOU'RE GOING TO GET TIRED OF SEEING ME, GRANT? WHAT TIME?**

**I'LL PICK YOU UP AT SEVEN IF THAT'S OKAY--AND I'LL NEVER GET TIRED OF SEEING YOU!**

**BRADLEY**  
I'LL PICK YOU UP AT SEVEN IF THAT'S OKAY--AND I'LL NEVER GET TIRED OF SEEING YOU!

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BOY AM I IN A ROTTEN MOOD

THWACK!

CRASH!

THIS MUST BE SERIOUS... THAT DIDN'T EVEN CHEER ME UP

© 1988 NEA, INC.

JIM DAVIS 12/14

[illegible][illegible][illegible]







